

**PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY \_\_\_\_, 2026****NEW ISSUE - BOOK-ENTRY ONLY****NO RATING**

*In the opinion of Jones Hall LLP, as Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2026 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2026 Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.*



**\$10,500,000\***  
**CITY OF RIALTO**  
**COMMUNITY FACILITIES DISTRICT NO. 2024-1**  
**(RENAISSANCE)**  
**SPECIAL TAX BONDS**  
**SERIES 2026**

**Dated: Date of Delivery****Due: September 1, as shown on the inside front cover**

The bonds captioned above (the "2026 Bonds") are being issued by the City of Rialto (the "City"), by and through the City of Rialto Community Facilities District No. 2024-1 (Renaissance) (the "District"), to (i) finance certain capital facilities of the City, including through the payment of impact fees, (ii) fund a debt service reserve fund for the 2026 Bonds, and (iii) pay the costs of issuing the 2026 Bonds. See "SOURCES AND USES OF FUNDS" herein. The 2026 Bonds will be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, and a Fiscal Agent Agreement, dated as of February 1, 2026 (the "Fiscal Agent Agreement"), between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent"). The 2026 Bonds are special, limited obligations of the City payable solely from the Special Tax Revenues (as defined herein) and from certain other funds pledged under the Fiscal Agent Agreement, all as further described herein. Special taxes levied for facilities within the District (referred to as Special Tax A) will be levied according to the Rate and Method of Apportionment of Special Tax approved by the City Council of the City, as the legislative body of the District, and the qualified electors within the District. See "THE DISTRICT – Rate and Method of Apportionment of Special Taxes" herein.

Interest on the 2026 Bonds will be payable semiannually on each March 1 and September 1, commencing September 1, 2026. Individual purchases may initially be made in principal amounts of \$5,000 or any integral multiple thereof and will be in book-entry form only. The 2026 Bonds are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC").

The 2026 Bonds are subject to redemption prior to maturity. See "THE 2026 BONDS – Redemption" herein.

Subject to certain conditions, additional obligations on a parity basis with the 2026 Bonds (collectively, the "Bonds"), may be issued in the future. See "THE 2026 BONDS – Additional Bonds" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY (EXCEPT WITH RESPECT TO THE SPECIAL TAXES, AS DESCRIBED HEREIN), THE COUNTY OF SAN BERNARDINO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2026 BONDS. EXCEPT FOR THE SPECIAL TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE 2026 BONDS. THE 2026 BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY, BUT ARE LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM SPECIAL TAXES AND AMOUNTS HELD UNDER THE FISCAL AGENT AGREEMENT AS MORE FULLY DESCRIBED HEREIN.

*This cover page and the inside cover page contain certain information for general reference only. Such information is not a summary of this issue. The City has not and does not contemplate making an application to any rating agency for the assignment of a rating to the 2026 Bonds. Investors must read the entire Official Statement, including the sections entitled "SPECIAL RISK FACTORS" and "CONCLUDING INFORMATION – No Ratings on the 2026 Bonds" to obtain information essential to making an informed investment decision with respect to the 2026 Bonds.*

**Maturity Schedule**

(see inside front cover page)

*The 2026 Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall LLP, as Bond Counsel. Jones Hall LLP is also serving as Disclosure Counsel to the City. Certain legal matters will be passed on for the City by Burke, Williams and Sorensen, LLP, as City Attorney, and for the Underwriter by Kutak Rock LLP, as counsel to the Underwriter. It is anticipated that the 2026 Bonds will be available for delivery in book-entry form on or about February \_\_, 2026.*

**[PIPER SANDLER LOGO]**

Dated: February \_\_, 2026

\* Preliminary, subject to change.

**CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2024-1  
(RENAISSANCE)  
SPECIAL TAX BONDS  
SERIES 2026**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_ Serial Bonds

Base CUSIP<sup>†</sup> No. \_\_\_\_\_

<b><u>Maturity Date</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Reoffering</u></b>	<b><u>CUSIP<sup>†</sup></u></b>
<b><u>September 1</u></b>	<b><u>Amount</u></b>	<b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>Suffix</u></b>

\$ \_\_\_\_\_ % Term Bonds due September 1, 20 \_\_, Yield \_\_\_\_\_ % CUSIP<sup>†</sup> No. \_\_\_\_\_

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**CITY OF RIALTO, CALIFORNIA**

**CITY COUNCIL**

Joe Baca, *Mayor*  
Ed Scott, *Mayor Pro Tem*  
Andy Carrizales, *Councilmember*  
Karla Perez, *Councilmember*  
Edward Montoya Jr., *Councilmember*

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**CITY OFFICIALS**

Tanya Williams, *City Manager*  
Scott Williams, *Finance Director*  
Edward J. Carrillo, *Treasurer*  
Barbara McGee, *City Clerk*  
Eric Vail, *City Attorney*

**PROFESSIONAL SERVICES**

**MUNICIPAL ADVISOR**

Fieldman, Rolapp & Associates, Inc.  
*Irvine, California*

**BOND COUNSEL AND DISCLOSURE COUNSEL**

Jones Hall LLP  
*San Mateo, California*

**SPECIAL TAX CONSULTANT & CFD ADMINISTRATOR**

Webb Municipal Finance, LLC  
*Riverside, California*

**APPRAISER**

Stephen G. White, MAI  
*Fullerton, California*

**FISCAL AGENT**

U.S. Bank Trust Company, National Association  
*Los Angeles, California*

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
INTRODUCTION.....	1
Authority for Issuance and Use of Proceeds.....	1
The City.....	2
The District.....	2
Property Ownership and Development Status.....	2
Security and Sources of Payment of the 2026 Bonds.....	3
Appraised Value and Value to Lien Ratio.....	4
Additional Bonds.....	4
Risk Factors.....	5
Continuing Disclosure.....	5
Miscellaneous.....	5
SOURCES AND USES OF FUNDS.....	5
DEBT SERVICE SCHEDULE.....	6
THE 2026 BONDS.....	6
General.....	6
Authority for Issuance.....	7
Redemption.....	7
Book-Entry Only System.....	10
Additional Bonds.....	10
SECURITY FOR THE 2026 BONDS.....	12
Pledge of Special Tax Revenues.....	12
Special Tax Fund.....	13
Prepayment of Special Taxes.....	17
Covenant to Commence Foreclosure Proceedings.....	17
THE DISTRICT.....	22
General.....	22
Development Agreement.....	22
Acquisition Agreement.....	23
Lewis 23.....	23
Lennar Homes.....	24
Rate and Method of Apportionment of Special Taxes.....	29
Projected Maximum Special Tax Proceeds and Debt Service Coverage.....	32
Appraised Property Value.....	32
Appraised Value-to-Lien Ratios.....	34
Direct and Overlapping Governmental Obligations.....	36
Estimated Tax Burden.....	39
SPECIAL RISK FACTORS.....	40
Risks of Real Estate Secured Investments Generally.....	40
Limited Obligations.....	40
Insufficiency of Special Taxes.....	40
Depletion of 2026 Reserve Account.....	42

**TABLE OF CONTENTS (continued)**

	<b><u>Page</u></b>
Risk of Structural or Wildland Fires .....	42
Natural Disasters .....	43
Hazardous Substances .....	43
Parity Taxes and Special Assessments .....	44
Disclosures to Future Purchasers .....	44
Special Tax Delinquencies .....	45
Payment of the Special Tax is not a Personal Obligation of the Owners .....	45
Appraised Valuations; Value-to-Lien Ratios .....	45
FDIC/Federal Government Interests in Properties .....	46
Bankruptcy and Foreclosure .....	47
No Acceleration Provision .....	48
Loss of Tax Exemption .....	48
Limitations on Remedies .....	48
No Ratings and Limited Secondary Market .....	48
Proposition 218 .....	49
Case Law Related to the Mello-Roos Act .....	50
Ballot Initiatives .....	51
Extraordinary Redemption from Prepaid Special Taxes .....	51
Climate Change .....	51
Cybersecurity .....	51
CONTINUING DISCLOSURE .....	52
TAX MATTERS .....	53
CONCLUDING INFORMATION .....	54
Absence of Material Litigation .....	54
Approval of Legality .....	55
No General Obligation of City or District .....	55
The Municipal Advisor .....	55
No Ratings on the 2026 Bonds .....	55
Underwriting .....	55
Miscellaneous .....	56
APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX	
APPENDIX B – APPRAISAL REPORT	
APPENDIX C – THE CITY OF RIALTO AND SAN BERNARDINO COUNTY	
APPENDIX D – FORM OF BOND COUNSEL'S OPINION	
APPENDIX E – FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS	
APPENDIX F – SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT	
APPENDIX G – BOOK-ENTRY ONLY SYSTEM	

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

**Use of Official Statement.** This Official Statement is submitted in connection with the offer and sale of the 2026 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2026 Bonds.

**Estimates and Forecasts.** This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute “forward-looking statements,” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. In this respect, such forward-looking statements are generally identified by the use of words “estimate,” “project,” “plan,” “budget,” “anticipate,” “expect,” “intend,” or “believe” or the negative thereof or other variations thereon or comparable terminology. The achievement of certain results or other expectations contained in such forward-looking statements involves known or unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be significantly different than those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, uncertainties relating to economic conditions, the effect of changes in the amounts and timing of receipt of revenues, the availability and sufficiency of Special Taxes, change in circumstances adversely affecting the projected use of proceeds, and risks involving pertinent court decisions. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based change. Potential investors are cautioned that such statements are only predictions and that actual events or results may differ materially. In evaluating such statements, potential investors should specifically consider the various factors which could cause actual events or results to differ materially from those indicated by such forward-looking statements.

**Limit of Offering.** No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the 2026 Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the City, the Municipal Advisor or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2026 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

**Involvement of Underwriter.** The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or the City or any other entity described or referenced herein since the date hereof. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

**Stabilization of Prices.** In connection with this offering, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the 2026 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2026 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

THE 2026 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2026 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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## OFFICIAL STATEMENT

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**\$10,500,000\***  
**CITY OF RIALTO**  
**COMMUNITY FACILITIES DISTRICT NO. 2024-1**  
**(RENAISSANCE)**  
**SPECIAL TAX BONDS**  
**SERIES 2026**

This Official Statement, which includes the cover page, table of contents and appendices hereto, is provided to furnish information in connection with the sale, issuance and delivery of the above-referenced bonds (the “2026 Bonds”).

*Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Definitions of certain terms used herein and not defined herein have the meaning set forth in the Fiscal Agent Agreement. See APPENDIX F.*

### INTRODUCTION

*This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. All references herein to any document are qualified by the terms of such document in its entirety. A full review should be made of the entire Official Statement. The offering of the 2026 Bonds to potential investors is made only by means of the entire Official Statement.*

### Authority for Issuance and Use of Proceeds

The 2026 Bonds are being issued by the City of Rialto (the “City”), for and on behalf of the City of Rialto Community Facilities District No. 2024-1 (Renaissance) (the “District”), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5 (commencing with Section 53311) of Division 2 of Title 5 of the California Government Code (the “Act”) and a Fiscal Agent Agreement, dated as of February 1, 2026 (the “Fiscal Agent Agreement”), between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”). See “THE 2026 BONDS – Authority for Issuance” herein.

Proceeds of the 2026 Bonds will be used to (i) finance certain capital facilities of the City, including through the payment of impact fees, (ii) fund a debt service reserve fund for the 2026 Bonds, and (iii) pay the costs of issuing the 2026 Bonds. See “SOURCES AND USES OF FUNDS.”

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\* Preliminary, subject to change.

## **The City**

The City is located in the western portion of the County of San Bernardino (the “County”), approximately 60 miles east of the City of Los Angeles and just west of the City of San Bernardino. The City was incorporated in 1911, and is organized as a general law city with a Council-Manager form of government. The City encompasses an area of approximately 24 square miles and, as of January 1, 2025, had an estimated population of approximately 105,565 as reported by the California Department of Finance. For certain information regarding the City and the County, see “APPENDIX C –THE CITY OF RIALTO AND SAN BERNARDINO COUNTY.”

## **The District**

The District was formed and established by the City on September 10, 2024 pursuant to the Act, following a public hearing by the City Council, as legislative body of the District, and a landowner election which authorized the incurrence of bonded indebtedness in an amount not to exceed \$25,000,000 and approved the levy of special taxes on taxable property within the District. The 2026 Bonds represent the first series of special tax bonds to be issued by the District. Additional series of special tax bonds may be issued in the future on a parity with the 2026 Bonds.

Land in the District is being developed by Lennar Homes of California, LLC, a California limited liability company (“Lennar Homes”) into a master-planned community anticipated to consist of 429 single-family homes in 4 neighborhoods within the City. These homes represent the first phase of larger development being undertaken in the approximately 1,500-acre Renaissance Specific Plan area (the “Renaissance Specific Plan”) within the City. See “THE DISTRICT” herein.

## **Property Ownership and Development Status**

Lewis-Hillwood Rialto Company, LLC, a Delaware limited liability company (“Lewis”), was the original master developer of the property within the District. The City and Lewis are parties to a Development Agreement (defined herein) that provides for the development of land within the District as well as the larger Renaissance master planned development in accordance with the objectives set forth in the General Plan and the Renaissance Specific Plan. At build-out, land within the Renaissance Specific Plan is anticipated to consist of up to 1,300 rental and for-sale housing units, 800 acres of industrial and commercial land uses, neighborhood parks, paseos and greenbelts, trails and walkways, public streets and other amenities. See “THE DISTRICT – Development Agreement.”

On December 6, 2023, AG EHC II (LEN) CA 4, L.P., a Delaware limited partnership, serving as landbank to Lennar Homes (the “Land Bank”), purchased all of the taxable property within the District from Lewis. Lennar Homes is taking down lots from the Land Bank over time, pursuant to an option agreement between Lennar Homes and the Land Bank, as described herein.

As of December 1, 2025, ownership and development status of the 429 lots within the District was as follows:

<b>Property Owner/Development Status</b>	<b>No. Units<sup>(1)</sup></b>
<b>Individual Homeowners – Completed Homes</b>	<b>129</b>
<b>Lennar Homes</b>	
Completed Homes	25
Homes Under Construction	44
<b>Subtotal – Lennar Homes</b>	<b>69</b>
<b>Land Bank</b>	
Homes Under Construction	63
Vacant Lots	168
<b>Subtotal – Land Bank</b>	<b>231</b>
<b>Totals</b>	<b>429</b>

(1) As of December 1, 2025, 269 taxable units were classified as Developed Property for purposes of the Special Tax Formula.  
 Source: Lennar Homes.

As of January 20, 2026, Lennar has acquired an additional 33 homesites from the Land Bank (for a total of 231 acquisitions) and has closed an additional 12 homes to homeowners (for total closings of 141). For more detailed information about Lennar Homes and its ongoing development within the District, see “THE DISTRICT – Lennar Homes” herein.

**Security and Sources of Payment of the 2026 Bonds**

The 2026 Bonds and any additional series of special tax bonds (“Additional Bonds” and together with the 2026 Bonds, the “Bonds”) are secured by a first pledge of all of the Special Tax Revenues and other amounts pledged under the Fiscal Agent Agreement, including, with respect to each series of Bonds, amounts in the Reserve Account which secure that specific series of Bonds. See “SECURITY FOR THE 2026 BONDS” and APPENDIX F – “SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT.”

“Special Tax Revenues” means the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, net of the Administrative Expense Requirement and administration charge of the County, but shall not include any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure. “Administrative Expense Requirement” means (i) for fiscal year 2026-27, \$30,600, and (ii) for each subsequent year, an amount equal to the preceding fiscal year’s Administrative Expense Requirement plus an additional 2% of such amount.

“Special Taxes” means “Special Tax A” (as described in the Special Tax Formula) levied within the District pursuant to the Act, the Ordinance, and the Fiscal Agent Agreement. ***The “Special Tax B” (as described in the Special Tax Formula) is not included in this definition of “Special Taxes” and does not constitute security for the repayment of the Bonds.***

The 2026 Bonds are being sized to provide at least 110% coverage from the Special Tax Revenues anticipated to be generated by Developed Property within the District (consisting of the 269

units that have been issued building permits as of December 1, 2025), based on the Assigned Special Tax A rates set forth in the Special Tax Formula (as such terms are defined herein).

The Special Taxes will be levied by the District and collected by the San Bernardino County Treasurer-Tax Collector in the same manner and at the same time as *ad valorem* property taxes. The City has covenanted in the Fiscal Agent Agreement to cause foreclosure proceedings to be commenced and prosecuted against parcels with delinquent Special Taxes under certain circumstances. For a more detailed description of the foreclosure covenant, see “SECURITY FOR THE 2026 BONDS – Covenant to Commence Foreclosure Proceedings.”

### **Reserve Account for the 2026 Bonds**

As additional security for the 2026 Bonds, the Fiscal Agent Agreement provides for the establishment of the 2026 Reserve Account within the Special Tax Fund in the amount of the 2026 Reserve Requirement. As of the date of issuance of the 2026 Bonds, the 2026 Reserve Requirement will be fully funded in the amount of \$\_\_\_\_\_\* from the proceeds of the 2026 Bonds. See “SECURITY FOR THE BONDS – Special Tax Fund – 2026 Reserve Account.”

### **Appraised Value and Value to Lien Ratio**

An appraisal of the taxable property within the District (the “Appraisal Report”), was prepared by Stephen G. White, MAI, Fullerton, California (the “Appraiser”) in connection with the issuance of the 2026 Bonds. The purpose of the Appraisal Report was to ascertain the “as is” market value of the fee simple estate as of the December 1, 2025 date of value for the 429 taxable lots within the District. Subject to the assumptions and limitations contained in the Appraisal Report, the Appraiser estimated that the fee simple interest in the subject property, subject to the lien of the Special Taxes, had an estimated aggregate value of \$127,910,000. See “THE DISTRICT – Appraised Property Value” and APPENDIX B – “APPRAISAL REPORT.”

The overall aggregate value-to-lien ratio based on the estimated appraised values from the Appraisal Report, and the estimated par amount of the 2026 Bonds of \$10,500,000\* is 12.18 to 1; there is no overlapping land-secured debt. This is based on the entirety of the District, the value to lien ratio for individual units will vary from the average. See “THE DISTRICT – Appraised Value to Lien Ratios.”

There is no assurance that the property within the District can be sold for the appraised value described herein, or for a price sufficient to pay the principal of and interest on the 2026 Bonds in the event of a default in payment of Special Taxes by the current landowner or future landowners within the District. In addition, other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes may also be levied in the future on the property within the District which could adversely affect the willingness of the owners of the taxable units within the District to pay the Special Taxes when due and decrease the value-to-lien ratios of parcels in the District. See “SPECIAL RISK FACTORS – Parity Taxes and Special Assessments” and “– Appraised Valuations; Value-to-Lien Ratios” herein.

### **Additional Bonds**

The bonded indebtedness limit for the District has been established at \$25,000,000 and the 2026 Bonds represent the first series issued thereunder. The City may issue Additional Bonds on a

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\* Preliminary; subject to change.

parity with the 2026 Bonds, subject to the conditions specified in the Fiscal Agent Agreement. See “THE 2026 BONDS – Additional Series of Bonds” herein.

**Risk Factors**

Investment in the 2026 Bonds involves risks that may not be appropriate for some investors. See “SPECIAL RISK FACTORS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in considering the investment quality of the 2026 Bonds.

**Continuing Disclosure**

In order to assist the Underwriter in complying with 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, the City has covenanted to provide certain financial information and operating data and notices of certain enumerated events relating to the District. In addition, Lennar Homes has agreed to provide semi-annual reports and notices of certain enumerated events. See “CONTINUING DISCLOSURE” herein.

**Miscellaneous**

Brief descriptions of certain provisions of the Fiscal Agent Agreement, the 2026 Bonds and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the City Clerk of the City. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors’ rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent Agreement. The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there have been no changes to the City or the land in the District since the date hereof.

**SOURCES AND USES OF FUNDS**

The proceeds from the sale of the 2026 Bonds will be deposited into the following funds and accounts established under the Fiscal Agent Agreement:

**SOURCES**

Principal Amount of 2026 Bonds  
 Plus/Less: [Net] Original Issue Premium/Discount  
**Total Sources**

\_\_\_\_\_  
 \_\_\_\_\_

**USES**

Acquisition and Construction Fund  
 Costs of Issuance<sup>(1)</sup>  
 2026 Reserve Account <sup>(2)</sup>  
**Total Uses**

\_\_\_\_\_  
 \_\_\_\_\_

(1) Includes fees of bond and disclosure counsel, fees, expenses and charges of the Fiscal Agent and its counsel, printing costs, fees of the special tax consultant and administrator, Appraiser, and Municipal Advisor, Underwriter’s discount, and other costs of issuance.

(2) Equal to the 2026 Reserve Requirement with respect to the 2026 Bonds as of their date of delivery.

## DEBT SERVICE SCHEDULE

The following table presents the annualized debt service on the 2026 Bonds (including sinking fund payments), assuming there are no early redemptions.

Year Ending Sept. 1	Principal	Interest	Total Debt Service
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
<b>Totals</b>			

Source: *Underwriter.*

### THE 2026 BONDS

#### General

The 2026 Bonds will be dated the date of their delivery and will mature in the amounts and on the dates set forth on the cover page of this Official Statement. The 2026 Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple of \$5,000.

The 2026 Bonds will bear interest at the annual rates set forth on the cover page of this Official Statement, payable semiannually on each March 1 and September 1, commencing September 1, 2026

(each, an “Interest Payment Date”). Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months.

Principal of and interest on the 2026 Bonds (including the final interest payment upon maturity or earlier redemption), is payable by check of the Fiscal Agent mailed by first class mail to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of 2026 Bonds delivered to the Fiscal Agent prior to the applicable Record Date, which instructions will continue in effect until revoked in writing, or until such 2026 Bonds are transferred to a new Owner. Each 2026 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless: (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date.

The principal of the 2026 Bonds and any premium on the 2026 Bonds are payable in lawful money of the United States of America upon surrender of the 2026 Bonds at the Principal Office of the Fiscal Agent.

### **Authority for Issuance**

**General.** The 2026 Bonds are being issued by the City, for and on behalf of the District, pursuant to the Act and the Fiscal Agent Agreement.

**District Formation Proceedings.** As required by the Act, the City Council has taken all the actions required to establish the District and authorize issuance of the 2026 Bonds. On July 23, 2024, the City Council adopted a resolution stating its intention to establish the District and to authorize the levy of a special tax therein. On the same day, the City Council adopted a resolution stating its intention to incur indebtedness for the purpose of financing authorized facilities. Following a noticed public hearing, the City Council adopted, on September 10, 2024, a resolution (the “Resolution of Formation”) which established the District and authorized the levy of a special tax within the District. On the same day, the City Council adopted a resolution declaring the necessity to incur bonded indebtedness in an amount not to exceed \$25,000,000 for the District and calling an election by the landowners within the District for the same date on the issues of the levy of the Special Tax, the incurring of bonded indebtedness and the establishment of an appropriations limit. An election was then held in which the qualified landowner electors within the District approved a ballot proposition authorizing the issuance of bonds in the not to exceed amount of \$25,000,000 for the District to finance the construction of the facilities, the levy of a special tax and the establishment of an appropriations limit for the District. A Notice of Special Tax Lien for the District was subsequently recorded in the real property records of San Bernardino County, and the City Council adopted an ordinance authorizing the levy of the Special Tax within the District.

### **Redemption\***

**Optional Redemption.** The 2026 Bonds are subject to optional redemption from any source of available funds (other than Prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after

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\* Preliminary, subject to change.

September 1, 20\_\_ at the following respective redemption prices (expressed as percentages of the principal amount of the 2026 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102%
September 1, 20__ through August 31, 20__	101%
September 1, 20__ and any date thereafter	100%

**Special Mandatory Redemption from Special Tax Prepayments.** The 2026 Bonds are subject to mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the 2026 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
Interest Payment Dates through and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102%
September 1, 20__ and March 1, 20__	101%
September 1, 20__ and Interest Payment Dates thereafter	100%

Prepayments and amounts released from each Reserve Account in connection with Prepayments will be allocated to the redemption of the 2026 Bonds and any Additional Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the 2026 Bonds and any Additional Bonds and shall be applied to redeem 2026 Bonds and Additional Bonds as nearly as practicable on a pro rata basis among maturities in increments of \$5,000; provided, however, that, for Prepayments of less than \$50,000, the City may specify in an Officer's Certificate that Prepayments be applied to one or more maturities of the 2026 Bonds or Additional Bonds so long as there is delivered to the Fiscal Agent a Certificate of the Special Tax Consultant that, following such redemption from Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year are not less than 110% of Maximum Annual Debt Service in the Bond Year that begins with the corresponding Fiscal Year.

**Mandatory Sinking Fund Redemption.** The 2026 Bonds maturing on September 1, \_\_\_\_\_ and September 1, \_\_\_\_\_ (the "2026 Term Bonds") shall be subject to mandatory sinking fund redemption on September 1, \_\_\_\_\_ and September 1, \_\_\_\_\_, respectively, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

**Term 2026 Bonds Maturing September 1, \_\_\_\_\_**

Mandatory Redemption Date <u>(September 1)</u>	Sinking Fund Payment
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(maturity)

**Term 2026 Bonds Maturing September 1, \_\_\_\_\_**

Mandatory Redemption Date <u>(September 1)</u>	Sinking Fund <u>Payment</u>
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(maturity)

The amounts in the foregoing tables shall be reduced pro rata, at the direction of the City in an Officer's Certificate, as a result of any prior partial optional or mandatory redemption of the Term 2026 Bonds pursuant to the Fiscal Agent Agreement. In the event of such a redemption pursuant to the Fiscal Agent Agreement, the City shall provide the Fiscal Agent with a revised sinking fund schedule giving effect to the redemption so completed.

In lieu of mandatory sinking fund redemption, moneys in the Redemption Account of the Special Tax Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2026 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2026 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase

**Selection of 2026 Bonds for Redemption.** If less than all of the 2026 Bonds Outstanding are to be redeemed, the portion of any 2026 Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. In selecting portions of such 2026 Bonds for redemption, the Fiscal Agent shall treat such 2026 Bonds as representing that number of 2026 Bonds of \$5,000 denominations which is obtained by dividing the principal amount of such 2026 Bonds to be redeemed in part by \$5,000. The Fiscal Agent shall promptly notify the District in writing of the 2026 Bonds, or portions thereof, selected for redemption.

**Redemption Procedure by Fiscal Agent; Rescission.** The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any 2026 Bonds designated for redemption, at their addresses appearing on the 2026 Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such 2026 Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding 2026 Bonds are to be called for redemption, shall designate the CUSIP numbers and 2026 Bond numbers of the 2026 Bonds to be redeemed by giving the individual CUSIP number and 2026 Bond number of each 2026 Bond to be redeemed or shall state that all 2026 Bonds between two stated 2026 Bond numbers, both inclusive, are to be redeemed or that all of the 2026 Bonds of one or more maturities have been called for redemption, shall state as to any 2026 Bond called in part the principal amount thereof to be redeemed, and shall require that such 2026 Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such 2026 Bonds will not accrue from and after the redemption date.

Upon the payment of the redemption price of 2026 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number

identifying, by issue and maturity, of the 2026 Bonds being redeemed with the proceeds of such check or other transfer.

The City has the right to rescind any notice of the optional redemption of 2026 Bonds under the Fiscal Agent Agreement by written notice to the Fiscal Agent on or prior to two Business Days prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2026 Bonds then called for redemption, and such cancellation shall not constitute an event of default. The City and the Fiscal Agent have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Fiscal Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2026 Bonds of any maturity, the Fiscal Agent shall select the 2026 Bonds to be redeemed, from all 2026 Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate.

Upon surrender of 2026 Bonds redeemed in part only, the City shall execute, and the Fiscal Agent shall authenticate and deliver, to the Owner, at the expense of the City, a new 2026 Bond or 2026 Bonds, of the same series and maturity, of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the 2026 Bond or 2026 Bonds.

***Effect of Redemption.*** From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2026 Bonds so called for redemption shall have been deposited in the Redemption Account of the Special Tax Fund, such 2026 Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice. All 2026 Bonds redeemed and purchased by the Fiscal Agent shall be canceled by the Fiscal Agent. The Fiscal Agent shall dispose of the cancelled 2026 Bonds in accordance with the then-customary procedures and issue a certificate of disposal thereof to the City at the City's written request.

### **Book-Entry Only System**

The Depository Trust Company ("DTC") will act as securities depository for the 2026 Bonds. The 2026 Bonds will be issued as fully-registered securities registered initially in the name of Cede & Co. (DTC's partnership nominee). One fully-registered bond will be issued for the 2026 Bonds of each maturity and each interest rate, in the initial aggregate principal amount of such maturity of such series. See APPENDIX G – "BOOK-ENTRY ONLY SYSTEM."

### **Additional Bonds**

In addition to the 2026 Bonds, the City may issue Additional Bonds secured by a lien on the Special Tax Revenues on a parity basis to the 2026 Bonds, subject to the following specific conditions precedent:

(a) **Compliance.** The City will be in compliance with the Fiscal Agent Agreement and all Supplemental Fiscal Agent Agreements or will be in compliance immediately following the issuance of such Series, and issuance of a Series will not cause the District to exceed the District's limitation on debt (as defined in the Act).

(b) **Purpose.** The purposes for which such series of Bonds are to be issued; provided, that the proceeds of the sale of such series of Bonds will be applied only for the

purpose of providing funds to (A) pay the costs of the Project, (B) refund any Bonds issued under the Fiscal Agent Agreement, (C) pay capitalized interest on such series of Bonds, (D) pay Costs of Issuance incurred in connection with the issuance of such series of Bonds, and (E) fund a separate Reserve Account required pursuant to clause (d) below;

(c) Same Payment Dates. The Supplemental Fiscal Agent Agreement providing for the issuance of such series will provide that interest thereon shall be payable on Interest Payment Dates, and principal thereof shall be payable on September 1 in any year in which principal is payable on such Series.

(d) Reserve Account Deposit. The Supplemental Fiscal Agent Agreement shall provide for a separate Reserve Account securing such series in an amount equal to the Reserve Requirement for the series. Such deposit shall be made as provided in the Supplemental Fiscal Agent Agreement providing for the issuance of such additional series and may be made from the proceeds of the sale of such additional series or from other funds.

(e) Aggregate Value-to-Lien. The aggregate value of all Taxable Property shall be at least five (5) times the sum of: (i) the aggregate principal amount of all Bonds then Outstanding, plus (ii) the aggregate principal amount of the additional series proposed to be issued, plus (iii) the aggregate principal amount of any fixed assessment liens on the parcels in the District subject to the levy of Special Taxes, plus (iv) a portion of the aggregate principal amount of any and all other community facilities district bonds then outstanding and payable at least partially from special taxes to be levied on parcels of land within the District (the "Other District Bonds") equal to the aggregate outstanding principal amount of the Other District Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other District Bonds on parcels of land within the District subject to the Special Taxes, and the denominator of which is the total amount of special taxes levied for the Other District Bonds on all parcels of land against which such special taxes are levied to pay the Other District Bonds based upon information from the most recent available Fiscal Year.

(f) Aggregate Coverage. For each Fiscal Year after issuance of the proposed series, the maximum amount of the Special Taxes that may be levied for such Fiscal Year on all parcels then classified as Taxable Property or to be classified as Taxable Property in the subsequent Fiscal Year not then delinquent in the payment of any prior or current years' Special Taxes, less the Administrative Expense Requirement for each respective Fiscal Year, shall be at least 110% of the total Annual Debt Service of the then Outstanding Bonds and the proposed Series of Bonds for each Bond Year that commences in each such Fiscal Year.

(g) Certificates. The City will deliver to the Fiscal Agent a Certificate of Authorized Representative of the City certifying that the conditions precedent to the issuance of such Series set forth in paragraphs (a) through (f) above have been satisfied.

(h) Opinion. An Opinion of Bond Counsel to the effect that execution of the Supplemental Fiscal Agent Agreement has been duly authorized by the City in accordance with the Fiscal Agent Agreement and that such series, when duly executed by the City and authenticated and delivered by the Fiscal Agent, will be valid and binding obligations of the City.

Notwithstanding the foregoing, the City may issue refunding bonds to refund all or a portion of one or more Series without the need to satisfy the requirements of paragraphs (e) and (f) above, and, in connection therewith, the Certificate of Authorized Representative of the District in paragraph (g) above need not make reference to paragraphs (e) and (f); provided a certification is made that Maximum Annual Debt Service on all Outstanding Bonds following the issuance of such refunding bonds is less

than or equal to Maximum Annual Debt Service on all Outstanding Bonds prior to the issuance of such refunding bonds.

The City may also issue any other bonds or otherwise incur debt secured by a pledge of the Special Tax Revenues which is subordinate to the pledge securing the 2026 Bonds.

## SECURITY FOR THE 2026 BONDS

### Pledge of Special Tax Revenues

**General.** All of the Special Tax Revenues, until disbursed as provided in the Fiscal Agent Agreement are pledged to secure the repayment of the Bonds (consisting of the 2026 Bonds and any Additional Bonds that may be issued in the future). In addition, the 2026 Bonds shall be secured by a pledge and lien on the 2026 Reserve Account of the Special Tax Fund, and each series of Additional Bonds shall be secured by a separate reserve account established within the Special Tax Fund as set forth in a Supplemental Agreement. Such pledge shall constitute a first lien on the Special Tax Revenues and said amounts. The Special Tax Revenues and all moneys deposited into such funds (except as otherwise provided in the Fiscal Agent Agreement) are dedicated in their entirety to the payment of the principal of, including any mandatory sinking fund payments, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with the Fiscal Agent Agreement.

As used in the Fiscal Agent Agreement, the following terms have the following meanings:

“Special Tax Revenues” means the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, net of the Administrative Expense Requirement and administration charge of the County, but shall not include any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure.

“Administrative Expense Requirement” means (i) for fiscal year 2026-27, \$30,600, and (ii) for each subsequent year, an amount equal to the preceding fiscal year’s Administrative Expense Requirement plus an additional 2% of such amount.

“Special Taxes” means “Special Tax A” (as described in the Special Tax Formula) levied within the District pursuant to the Act, the Ordinance, and the Fiscal Agent Agreement. ***The “Special Tax B” (as described in the Special Tax Formula) is not included in this definition of “Special Taxes” and does not constitute security for the repayment of the Bonds.***

So long as any Bonds issued under the Fiscal Agent Agreement are Outstanding, the City has covenanted in the Fiscal Agent Agreement to levy the Special Tax in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and available for such purpose, to pay (1) the principal of and interest on the Bonds when due, (2) the Administrative Expenses, and (3) any amounts required to replenish the 2026 Reserve Account of the Special Tax Fund to the 2026 Reserve Requirement or to replenish any other reserve account to the reserve requirement established under a Supplemental Fiscal Agent Agreement.

The Special Taxes will be levied by the District and collected by the San Bernardino County Treasurer-Tax Collector in the same manner and at the same time as *ad valorem* property taxes. In the event that the Special Taxes are not received when due, the only sources of funds available to pay

the debt service on the 2026 Bonds are amounts held by the Fiscal Agent in the Special Tax Fund (other than the Administrative Expenses), including amounts held in the 2026 Reserve Account therein, and foreclosure proceeds resulting from the sale of delinquent parcels if and when available. In the event that delinquencies occur in the receipt of the Special Taxes within the District in any Fiscal Year, the City may increase its Special Tax levy in the following Fiscal Year up to the maximum amount permitted under the Special Tax Formula except for the 10% limit on residential properties. Although the Special Tax levy may be increased, Special Taxes resulting from the increased levy will not become available to cure any delinquencies until actually collected. In addition, an increase in the Special Tax levy may adversely affect the ability or willingness of property owners to pay their Special Taxes. See "THE DISTRICT – Rate and Method of Apportionment of Special Taxes" herein for a description of the Special Tax Formula, including the procedures for levying Special Taxes, and "SPECIAL RISK FACTORS" herein.

**Limited Obligation.** ALL OBLIGATIONS OF THE CITY UNDER THE FISCAL AGENT AGREEMENT AND THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY, BUT ARE LIMITED OBLIGATIONS, PAYABLE SOLELY FROM THE SPECIAL TAX REVENUES AND THE FUNDS PLEDGED THEREFORE UNDER THE FISCAL AGENT AGREEMENT. THE FAITH AND CREDIT OF THE CITY, THE COUNTY OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED TO THE PAYMENT OF THE BONDS.

### **Special Tax Fund**

Pursuant to the Fiscal Agent Agreement, there is established a "Special Tax Fund" to be held and maintained by the Fiscal Agent. In the Special Tax Fund, there is further established and created an Interest Account, a Principal Account, a Redemption Account, one or more Reserve Accounts and an Administrative Expense Account.

The amounts on deposit in the foregoing funds will be held by the Fiscal Agent, and the Fiscal Agent shall invest and disburse the amounts in such funds and accounts in accordance with the provisions of the Fiscal Agent Agreement and shall disburse investment earnings thereon in accordance with the provisions of the Fiscal Agent Agreement.

The City will, on each date on which it receives Special Taxes, transfer the Special Taxes to the Fiscal Agent for deposit in the Special Tax Fund to be held in accordance with the terms of the Fiscal Agent Agreement. The Fiscal Agent will transfer the amounts on deposit in the Special Tax Fund on the dates and in the amounts set forth in the Fiscal Agent Agreement in the following order of priority:

- (1) The Administrative Expense Account of the Special Tax Fund;
- (2) The Interest Account of the Special Tax Fund;
- (3) The Principal Account of the Special Tax Fund;
- (4) The Redemption Account of the Special Tax Fund;
- (5) The Reserve Accounts of the Special Tax Fund, including the 2026 Reserve Account;
- (6) The Surplus Special Tax Account of the Acquisition and Construction Fund; and
- (7) The Surplus Fund.

**Administrative Expense Account.** Upon receipt of Special Taxes from the City for deposit in the Special Tax Fund, the Fiscal Agent will transfer from the Special Tax Fund and deposit in the Administrative Expense Account of the Special Tax Fund an amount equal to the Administrative Expense Requirement for the Bond Year. Annually, to the extent that the amounts on deposit in the Administrative Expense Account of the Special Tax Fund are insufficient to pay Administrative Expenses above the Administrative Expense Requirement, there shall be transferred by the Fiscal Agent at the written direction of the City to pay Administrative Expenses above the Administrative Expense Requirement, (i) from Special Taxes prior to the transfer of Special Taxes to the Surplus Special Tax Account pursuant to the Fiscal Agent Agreement, but only after transfers are made pursuant to the foregoing clauses (1) through (5), or (ii) from moneys deposited in the Surplus Fund. Moneys in the Administrative Expense Account shall be disbursed by the Fiscal Agent to pay Administrative Expenses, all as instructed by the City pursuant to a Written Request of the City

**Interest Account and Principal Account.** The principal of and interest due on the Bonds until maturity, other than principal due upon redemption, shall be paid by the Fiscal Agent from the Principal Account and the Interest Account of the Special Tax Fund, respectively. For the purpose of assuring that the payment of principal of and interest on the Bonds will be made when due, at least five Business Days prior to each March 1 and September 1, the Fiscal Agent shall make the following transfers from the Special Tax Fund first to the Interest Account and then to the Principal Account; provided, however, that to the extent that deposits have been made in the Interest Account or the Principal Account from the proceeds of the sale of a series of Bonds, or otherwise, the transfer from the Special Tax Fund need not be made; and provided, further, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency shall be made up by an immediate transfer from the Reserve Account applicable to such series of Bonds:

(i) To the Interest Account, an amount such that the balance in the Interest Account five Business Days prior to each Interest Payment Date shall be equal to the installment of interest due on the Bonds on said Interest Payment Date and any installment of interest due on a previous Interest Payment Date which remains unpaid. Moneys in the Interest Account shall be used for the payment of interest on the 2026 Bonds as the same become due.

(ii) To the Principal Account, an amount such that the balance in the Principal Account five Business Days prior to September 1 of each year, commencing with the first date on which principal is due, shall at least equal the principal payment due on the Bonds maturing on such September 1 and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account shall be used for the payment of the principal of such Bonds as the same become due at maturity.

(iii) To the Redemption Account of the Special Tax Fund.

On each September 1 on which a Sinking Fund Payment is due, after the deposits have been made to the Interest Account and the Principal Account of the Special Tax Fund as required by the foregoing, the Fiscal Agent shall next transfer into the Redemption Account of the Special Tax Fund from the Special Tax Fund the amount needed to make the balance in the Redemption Account five Business Days prior to each September 1 equal to the Sinking Fund Payment due on any Outstanding Bonds on such September 1; provided, however, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency shall be made up by an immediate transfer from the applicable Reserve Account, if funded, pursuant to the below. Moneys so deposited in the Redemption Account shall be used and applied by the Fiscal Agent to call and redeem Term Bonds in accordance with the Sinking Fund Payment schedule set forth in the Fiscal Agent Agreement or any Supplemental Fiscal Agent Agreement.

After making the deposits to the Interest Account and the Principal Account of the Special Tax Fund pursuant to the above and to the Redemption Account for Sinking Fund Payments then due, and in accordance with the City's election to call Bonds of a series for optional redemption as set forth in the Fiscal Agent Agreement or any Supplemental Fiscal Agent Agreement, and in connection with special mandatory redemption from special tax prepayments as set forth in the Fiscal Agent Agreement, the Fiscal Agent shall transfer from the Special Tax Fund and deposit in the Redemption Account moneys available for the purpose and sufficient to pay the interest, the principal and the premiums, if any, payable on the Bonds of such series called for optional or special mandatory redemption; provided, however, that amounts in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account) may be applied to optionally redeem Bonds only if immediately following such redemption the amount in each Reserve Account will equal the respective Reserve Requirement.

All prepayments of Special Taxes shall be deposited in the Redemption Account to be used to redeem Bonds on the next date for which notice of redemption can timely be given.

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

**2026 Reserve Account.** There shall be maintained in the 2026 Reserve Account of the Special Tax Fund an amount equal to the 2026 Reserve Requirement. "Reserve Requirement" means, with respect to any series of Bonds, the least of (i) 125% of the average Annual Debt Service with respect to the applicable series of Bonds; (ii) Maximum Annual Debt Service with respect to the applicable series of Bonds; and (iii) 10% of the original principal amount of the applicable series of Bonds (or, if the applicable series of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series of Bonds); provided, that—

- (i) the Reserve Requirement for the series of Bonds shall not increase after the date of issuance of the series of Bonds;
- (ii) in no event shall the City be obligated to deposit an amount in any reserve fund in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, if the amount of any such deposit is so limited, the Reserve Requirement shall be only the amount of such deposit as permitted by the Code; and

For each series of Additional Bonds, the Fiscal Agent shall establish a separate subaccount within the Special Tax Fund for such series and moneys in each subaccount shall be held in trust by the Fiscal Agent for the benefit of the Owners of the respective series of Bonds. The amounts in the 2026 Reserve Account shall be applied as follows:

Moneys in the 2026 Reserve Account shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on any 2026 Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor or moneys in the Redemption Account of the Special Tax Fund are insufficient to make a Sinking Fund Payment when due. If the amounts in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on any 2026 Bonds when due, the Fiscal Agent shall withdraw from the 2026 Reserve Account for deposit in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund, as applicable, moneys necessary for such purposes.

Whenever moneys are withdrawn from the 2026 Reserve Account, after making the required transfers referred to in the Fiscal Agent Agreement, the Fiscal Agent shall transfer to the 2026 Reserve Account from available moneys in the Special Tax Fund, or from any other legally available funds which the City elects to apply to such purpose, the amount needed to restore the amount of such 2026 Reserve Account to the 2026 Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the 2026 Reserve Account only if the Fiscal Agent determines that such amounts will not be needed to make the deposits required to be made to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund. If amounts in the Special Tax Fund or otherwise transferred to replenish the 2026 Reserve Account are inadequate to restore the 2026 Reserve Account to the 2026 Reserve Requirement, then the City shall include the amount necessary to fully restore the 2026 Reserve Account to the 2026 Reserve Requirement in the next annual Special Tax levy to the extent of the maximum permitted Special Tax rates.

In connection with any redemption of the 2026 Bonds, or a partial defeasance of the 2026 Bonds, amounts in the 2026 Reserve Account may, upon written direction of the City to the Fiscal Agent, be applied to such redemption or partial defeasance so long as the amount on deposit in the 2026 Reserve Account following such redemption or partial defeasance equals the 2026 Reserve Requirement. To the extent that the 2026 Reserve Account is at the 2026 Reserve Requirement as of the first day of the final Bond Year for the 2026 Bonds, amounts in the 2026 Reserve Account may, upon written direction of the City to the Fiscal Agent, be applied to pay the principal of and interest due on the 2026 Bonds in the final Bond Year for such issue. Moneys in the 2026 Reserve Account in excess of the 2026 Reserve Requirement not transferred in accordance with the preceding provisions of this paragraph shall be withdrawn from the 2026 Reserve Account on the fifth Business Day before each September 1 and transferred to the Acquisition and Construction Fund until the Fiscal Agent receives a Certificate of Authorized Representative of the City that all Project Costs have been funded in the manner set forth in the Fiscal Agent Agreement and, thereafter, to the Interest Account of the Special Tax Fund.

The City has the right to either meet the Reserve Requirement at the time of issuance of a series of Bonds or at any time thereafter to cause the Fiscal Agent to release cash from the 2026 Reserve Account, in whole or in part, by tendering to the Fiscal Agent: (1) a Qualified Reserve Account Credit Instrument, and (2) in the case of a release, an opinion of Bond Counsel stating that such release will not, of itself, cause the portion of the interest on the 2026 Bonds secured thereby to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent in connection with a release of cash, the Fiscal Agent will transfer such funds to the City. Prior to the expiration of any Qualified Reserve Account Credit Instrument, if applicable, the City is obligated either to replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or to deposit or cause to be deposited with the Fiscal Agent an amount of funds such that the funds on deposit in the Reserve Account together with all Qualified Reserve Account Credit Instruments held by the Fiscal Agent is at least equal to the 2026 Reserve Requirement (which funds may come from a draw by the Fiscal Agent on the Qualified Reserve Account Credit Instrument prior to its expiration).

## **Prepayment of Special Taxes**

Under the Special Tax Formula, the owner of a parcel may voluntarily prepay the Special Tax obligation for a parcel in whole or in part. Any voluntary prepayment of Special Taxes will result in a special mandatory redemption of the Bonds. See “THE BONDS – Redemption – Special Mandatory Redemption from Special Tax Prepayments” and “SPECIAL RISK FACTORS – Extraordinary Redemption From Prepaid Special Taxes.”

## **Covenant to Commence Foreclosure Proceedings**

In the Fiscal Agent Agreement, the City covenants with and for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the public records of the County of San Bernardino relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if the City determines on the basis of such review that

(a) the amount so collected is deficient by more than 5% of the total amount of the Special Tax levied in the District in such Fiscal Year, then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner in the time and manner provided below; or

(b) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the District in such Fiscal Year, but property owned by any single property owner in the District is delinquent cumulatively by an amount equal to four installment payments with respect to the current and past Special Tax due, then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner in the time and manner provided below.

The City shall within 30 days thereafter send a written demand letter to the delinquent parcel(s) and lender of record, if any, as the first step in instituting foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installment of the Special Tax on each such parcel, and shall thereafter diligently prosecute and pursue such foreclosure proceedings to judgment and sale in such manner and upon such timing as advised by legal counsel, taking into account the amounts delinquent, the estimated cost of legal proceedings, the status of Special Tax collections and available debt service reserves.

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

There could be a default or a delay in payments to the owners of the 2026 Bonds pending prosecution of foreclosure proceedings and receipt by the District of foreclosure sale proceeds, if any, and subsequent transfer of those proceeds constituting Special Taxes to the Special Tax Fund.

Under the Act, the City has the power to use a foreclosure judgment to purchase the subject property by credit bid at foreclosure sale, in which event the City would have no obligation to pay such credit bid for 24 months.

**IN THE EVENT FORECLOSURE OR FORECLOSURES ARE NECESSARY, THERE MAY BE A DELAY IN PAYMENTS TO BOND OWNERS PENDING PROSECUTION OF THE FORECLOSURE**

PROCEEDINGS AND RECEIPT BY THE CITY OF THE PROCEEDS OF THE FORECLOSURE SALE; IT IS ALSO POSSIBLE THAT NO BID FOR THE PURCHASE PRICE OR APPLICABLE PROPERTY WOULD BE RECEIVED AT THE FORECLOSURE SALE. SEE "SPECIAL RISK FACTORS." NOTWITHSTANDING ANY OTHER PROVISION OF THE FISCAL AGENT AGREEMENT TO THE CONTRARY, THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO CURE ANY DEFICIENCY IN THE SPECIAL TAX FUND ESTABLISHED UNDER THE FISCAL AGENT AGREEMENT.

**BOUNDARY MAP OF DISTRICT**

[To be inserted]

## TRACT MAPS

[To be inserted]

## **AERIAL OVERVIEW MAP**

[To be inserted]

## THE DISTRICT

*The following information regarding the ownership and planned development of the property in the District has been provided by Lewis and Lennar Homes for use in this Official Statement and has not been independently confirmed or verified by the City or the Underwriter. Neither the City nor the Underwriter makes any representation as to the accuracy or adequacy of this information or the absence of any material change after the date of this Official Statement. There may be material adverse changes in this information after the date of this Official Statement.*

*As the proposed land development progresses and homes are sold, it is expected that the ownership of the land within the District will become more diversified. No assurance can be given that development of the land within the District will occur in the timeframe currently projected or in the configuration or intensity described herein, or that Lennar Homes or the Land Bank will or will not retain ownership of any of the land within the District.*

*The 2026 Bonds and the Special Taxes are not personal obligations of any landowners, including Lennar Homes or the Land Bank, and, in the event that a landowner defaults in the payment of the Special Taxes, the City may proceed with judicial foreclosure but has no direct recourse to the assets of any landowner. As a result, other than as provided herein, no financial statements or information is, or will be, provided about Lennar Homes or the Land Bank. The 2026 Bonds are secured solely by the Special Tax Revenues and other amounts pledged under the Fiscal Agent Agreement. See "SECURITY FOR THE 2026 BONDS" and "SPECIAL RISK FACTORS" in this Official Statement.*

### General

**Description and Location.** The District consists of approximately 26.67 net taxable acres being developed by Lennar Homes into 429 single-family homes among 4 neighborhoods within the Renaissance Specific Plan in the City. More specifically, land in the District is located at the southwest corner of Ayala Dr. and Scholl Way. This location is in the central part of Rialto,  $\pm\frac{1}{4}$  mile south of the 210 Freeway, with a full interchange at Ayala Dr. Additional location information is set forth in the Appraisal Report. See APPENDIX B – "APPRAISAL REPORT." Additional demographic information concerning the City and the County is set forth in APPENDIX C – "THE CITY OF RIALTO AND SAN BERNARDINO COUNTY" for certain demographic information on the City and the County.

The development ongoing in the District is part of a larger master planned development being undertaken in accordance with the objectives set forth in the City's General Plan and the Renaissance Specific Plan. At build-out, the Renaissance Specific Plan is anticipated to consist of 1,200 residential units, 17.5 million buildable square feet of industrial and commercial land uses, 2.5 acres of neighborhood parks, 2 acres of paseos and greenbelts, 3 acres of linear open space/recreation land, trails and walkways, public streets and other amenities.

**Maps.** Maps showing the general location of the District and the planned development within the City are set forth on the preceding pages.

### Development Agreement

The City and Lewis entered into a Development Agreement, dated December 13, 2016, and amended by a First Amendment to Development Agreement (as amended, the "Development Agreement") regarding the development of the 429 planned units within the District as well as the larger area described in the Renaissance Specific Plan.

The Development Agreement's purpose is to vest development rights, set forth infrastructure improvements and dedication requirements, secure the timing and methods for financing

improvements, and specify other performance obligations as related to development in the Renaissance Specific Plan area. All of the property in the District is subject to the requirements of the Development Agreement, as well as the Renaissance Specific Plan. The Development Agreement was entered into in accordance with Sections 65864 through 65869.5 of the California Government Code.

The Development Agreement is the primary implementation tool for the Renaissance Specific Plan and creates a binding contract between the City and Lewis (including its assigned successors in interest), which sets forth the needed infrastructure improvements, park dedication requirements, timing and method for financing improvements and other specific performance obligations of the City and Lewis (and its successors), including obligations related to development of the property in the District, with the terms, conditions, rules, regulations, entitlements, vested rights and other provisions relating to the development of the property in the District according to the Renaissance Specific Plan entitlements. Included are provisions relating to infrastructure improvements, public dedication requirements, landscaping amenities and other obligations of the parties.

The Development Agreement runs with the property, and may be modified only by mutual consent of the parties, and in a manner consistent with the Renaissance Specific Plan. With the Development Agreement in place, subject to compliance with the terms of the Development Agreement, construction of homes within the District may occur upon City approval of subdivision maps, satisfaction of certain design requirements and conditions of such maps and issuance of building permits.

The Development Agreement requires satisfaction of various items as conditions of development of the 429 taxable units in the District, all of which have been satisfied.

### **Acquisition Agreement**

In connection with the formation of the District, the City and Lewis entered into a Funding, Construction and Acquisition Agreement, dated as of September 10, 2024 (the “Acquisition Agreement”) to finance the acquisition and construction of certain public facilities (each a “Public Facility”), including a storm drain line and related facilities to be owned, operated and maintained by the City, as well as certain City development impact fees (the “Fees”). Amounts available within the Acquisition and Construction Fund under the Fiscal Agent Agreement, including net proceeds of the 2026 Bonds, will be used by the City, upon completion of construction and acceptance (or through progress payments prior to completion and acceptance of the entire Public Facility), to purchase the Public Facilities and/or pay Fees then due.

### **Lewis**

Lewis was the original master developer of the land within the District. Lewis undertook to build and construct all backbone infrastructure required for the development of all 429 lots within the District, which is now complete. On December 6, 2023, Lewis sold all of the taxable land within the District to the Land Bank, which is serving as landbank to Lennar Homes, in finished lot condition. Lennar Homes is taking down lots from the Land Bank over time, building homes, marketing and selling homes to individual homeowners. See “– Land Bank” and “– Lennar Homes” below.

As previously defined, “Lewis” means Lewis-Hillwood Rialto Company, LLC, a California limited liability company, which is a special purpose entity and affiliate of Lewis Management Corp. Lewis no longer owns any land within the District. Lewis Management Corp. is an affiliate of Lewis Group of Companies (the “**Lewis Group**”). The Lewis Group was established in 1955 and has built more than 57,000 homes, developed more than 25,000 acres of land and developed and sold more than 21,000 residential lots. Since its formation, the Lewis Group has also developed more than 19.5 million square feet of retail, office and industrial space and also owns and manages apartments and investment properties.

The Lewis Group focuses on identifying and then acquiring residential land which it subsequently entitles, develops, and sells to merchant or custom homebuilders. Such activities include transactions in the communities of Chino, Diamond Bar, Eastvale, Fontana, Lake Elsinore, Rancho Cucamonga, Rialto, Riverside County, Upland, Brawley, Calexico, Imperial, Fairfield, Sacramento, Santa Paula, Elk Grove, El Dorado Hills, Folsom and Hercules, all in California, as well as Las Vegas, North Las Vegas, Reno, Sparks and Dayton in Nevada.

Additional information regarding Lewis Management Corp. is available at [lewisgroupofcompanies.com](http://lewisgroupofcompanies.com). *This Internet address is included for reference only, and the information on this Internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on this Internet site.*

## **Lennar Homes**

**General.** Homes in the District are being developed by Lennar Homes of California, LLC, a California limited liability company (previously defined as the “Lennar Homes”), which is based in Irvine, California. Lennar Homes has been in the business of developing residential real estate communities in California since 1996. Lennar Homes is wholly-owned by U.S. Home, LLC, a Delaware limited liability company (“U.S. Home”). U.S. Home is wholly-owned by Lennar Corporation, which is based in Miami, Florida. Founded in 1954, Lennar Corporation completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. Lennar Corporation’s Class A and Class B common stock are listed on the New York Stock Exchange under the symbols “LEN” and “LEN.B,” respectively. Lennar Corporation is one of the largest homebuilders in the United States based on home sales revenues and net earnings, and operates under a number of brand names, including Lennar Homes and U.S. Home. Lennar Corporation primarily develops residential communities both within the Lennar Corporation family of builders and through consolidated and unconsolidated partnerships in which Lennar Corporation maintains an interest.

Lennar Corporation is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Lennar Corporation and its consolidated subsidiaries, including Lennar Homes, as of such dates. The SEC maintains a website that contains reports, proxy and other information statements and other information regarding registrants that file electronically with the SEC, including Lennar Corporation. The address of such website is [www.sec.gov](http://www.sec.gov). All documents filed by Lennar Corporation pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. Copies of Lennar Corporation’s Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Lennar Corporation’s website at [www.lennar.com](http://www.lennar.com).

*The internet addresses referenced in the paragraphs above are included for reference purposes only and the information on these internet sites are not a part of this Official Statement and are not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on these internet sites.*

**The Land Bank.** AG EHC II (LEN) CA 4, L.P., a Delaware limited partnership (previously defined as the “Land Bank”), is an affiliate of, and managed by, Angelo Gordon & Co., L.P., which is an alternative asset management firm founded in 1988 and headquartered in New York. In November 2023, Angelo Gordon was acquired by TPG Inc., a global alternative asset management firm, founded in San Francisco in 1992, with \$296 billion of assets under management as of June 30, 2025, and

investment and operational teams located around the world. TPG trades on the Nasdaq Stock Market under the ticker symbol “TPG.”

The Land Bank is serving as a land bank for Lennar Homes and is not a homebuilder. In the event Lennar Homes does not exercise its option on the lots or the right to purchase the lots expires or is terminated, the Land Bank, being an investor only and not a homebuilder, would likely attempt to sell such remaining lots to another merchant builder.

**Landbank Arrangement.** To facilitate a land banking structure for the District, Lennar Homes and the Land Bank entered into that certain Option Agreement, dated December 6, 2023 (the “Lennar Option Agreement”). All of the 429 lots located in the District are the subject of the Lennar Option Agreement (the “Land Bank Lots”). Under the Lennar Option Agreement, Lennar Homes has the option, but not the obligation, to purchase the 429 Land Bank Lots from the Land Bank pursuant to a takedown schedule agreed upon between Lennar Homes and the Land Bank. Lennar Homes and the Land Bank further memorialized their rights and obligations under the Lennar Option Agreement by recording that certain Memorandum of Option Agreement in the Official Records of San Bernardino County on December 6, 2023, as Instrument No. 2023-0302298 (the “Memorandum of Lennar Option”).

In addition to the Lennar Option Agreement, on December 6, 2023, Lennar Communities, LLC (an affiliate of Lennar Homes, and herein, the “Contractor”) and the Land Bank entered into a Construction Agreement (“Lennar Construction Agreement”) whereby the Land Bank engaged the Contractor – at a fee based on actual cost, subject to a maximum payment – to construct improvements to the property necessary to bring the lots into finished lot condition and granting Lennar Homes the right to enter upon the Land Bank Lots for the purpose of, among other things, constructing model homes, dwelling units and related subdivision improvements on the Land Bank Lots before Lennar Homes acquires the Land Bank Lots from the Land Bank.

The Lennar Homes’s planned development of the Land Bank Lots includes the construction of 429 single-family homes and the sale of such homes to individual homebuyers. Pursuant to the terms and conditions of the Lennar Option Agreement, Lennar Homes is required to, among other things, cause the completion and satisfaction of the certain improvements to the Land Bank Lots. During the term of the Lennar Option Agreement, Lennar Homes is obligated to pay all taxes on the Land Bank Lots, including the Special Taxes.

Under the terms of the Lennar Option Agreement, the Land Bank agreed to provide Lennar Homes the exclusive right and option to purchase the Land Bank Lots in consideration for (a) an initial option payment, which payment has been made to the Land Bank; and (b) upon exercise of the option, the payment of the purchase price for each set of lots acquired.

The Land Bank Lots must be purchased in certain groups and in a specified order, although Lennar Homes may acquire more lots than scheduled and at earlier times so long as the identified lots are acquired by the applicable takedown date. The Lennar Option Agreement also provides for (i) acquiring lots in a bulk sale purchase, (ii) deferring the acquisition for a period of one month at a time upon the payment of a hiatus fee, and (iii) pausing the acquisitions for periods of six months (with a maximum of four such pauses) subject to the payment of a fee to the Land Bank during the pause and other conditions.

In addition, pursuant to the Lennar Option Agreement and the Lennar Construction Agreement and with some limitations, the Land Bank has granted Lennar Homes a license to enter upon the property to construct homes before it acquires the lots from the Land Bank.

The option under the Lennar Option Agreement expires on the earlier of (i) the last date permitted for the final takedown specified on the takedown schedule and the expiration of any applicable

cure period, or (ii) the date Lennar Homes has acquired all of the Land Bank Lots in accordance with the Lennar Option Agreement. The failure to timely acquire lots could result in the termination of the option and Lennar Homes will no longer have a right to purchase any of the remaining units under the Lennar Option Agreement. In the event that Lennar Homes does not exercise its option on the Land Bank Lots or the right to purchase the Land Bank Lots expires or is terminated, the Land Bank being an investor only and not a homebuilder, would likely attempt to sell such Land Bank Lots to another merchant builder.

Under the Lennar Construction Agreement, Lennar Homes has agreed to use commercially reasonable efforts to construct all of the on-site and off-site improvements and obtain the requisite governmental permits and approvals necessary to create finished lots on the Land Bank Lots. The Lennar Construction Agreement contains various dates for completion of work in phases. The failure to acquire the lots in the specified order will result in the payment of a premium in addition to the purchase price. Under the Lennar Option Agreement, the Land Bank Lots equal to or in excess of the cumulative lot counts shown below must be acquired pursuant to the following schedule, although the Lennar Option Agreement contains provision allowing for one-month extensions on acquisition of lots subject to the payment of an extension fee and other conditions.

Lennar Homes anticipates acquiring the option lots according to the schedule below. The schedule below is subject to revision from time to time.

<b>Estimated Takedown Schedule for Renaissance Ranch</b>							
<b>Takedown Date</b>	<b>Tailwind</b>	<b>Outbound</b>	<b>Aviator</b>	<b>Runway</b>	<b>Cumulative Proposed Total</b>	<b>Cumulative Required by Option Agreement<sup>(1)</sup></b>	<b>Status</b>
Through 12/14/25	50	56	62	63	231	200	Acquired
1/14/26					231	200	
2/14/26	12		6		249	209	
3/14/26		12			261	245	
4/14/26				8	268	257	
5/14/26	12		2		282	257	
6/14/26		8			290	282	
7/14/26				12	302	290	
8/14/26	8	7			317	290	
9/14/26				1	317	321	
10/14/26		8		12	337	321	
11/14/26					337	329	
12/14/26		8			345	341	
1/14/27				12	357	349	
2/14/27		8			365	349	
3/14/27					365	369	
4/14/27		27		35	429	429	
<b>Totals</b>	<b>82</b>	<b>134</b>	<b>70</b>	<b>143</b>	<b>429</b>	<b>429</b>	

(1) The schedule in the Option Agreement is subject change, as set forth in the Option Agreement.  
Source: Lennar Homes.

**Development Plan.** Development in the District is planned by Lennar Homes to consist of 429 single-family homes among 4 neighborhoods that are all currently under construction: Tailwind, Runway, Outbound and Aviator.

The table on the following page describes the development status as of January 20, 2026.

**TABLE 1  
CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2024-1 (RENAISSANCE)  
DEVELOPMENT STATUS  
(AS OF JANUARY 20, 2026)**

<b>Product Type/ Plan</b>	<b>House Sq. Feet Range</b>	<b>No. Units</b>	<b>Units With Closed Escrows to Individual Homeowners</b>	<b>Completed Units (Not Closed)<sup>(1)</sup></b>	<b>Units Under Construction</b>	<b>Units in Escrow with Individual Homeowners</b>	<b>Finished Lots</b>
<b>Tailwind</b>							
Plan 1	<=1,500	28	11	2	12	2	3
Plan 2	1,616 – 1,730	25	12	0	12	2	1
Plan 3	1,731 – 1,845	29	12	1	12	2	4
<b>Subtotal</b>		<b>82</b>	<b>35</b>	<b>3</b>	<b>36</b>	<b>6</b>	<b>8</b>
<b>Runway</b>							
Plan 1	1,616 – 1,730	47	11	2	10	2	24
Plan 2	1,731 – 1,845	24	6	0	7	0	11
Plan 3	1,846 – 1,960	26	6	1	6	0	13
Plan 4	1,846 – 1,960	46	12	1	9	1	24
<b>Subtotal</b>		<b>143</b>	<b>35</b>	<b>4</b>	<b>32</b>	<b>3</b>	<b>72</b>
<b>Outbound</b>							
Plan 1	1,616 – 1,730	38	11	2	9	3	16
Plan 2	1,731 – 1,845	37	12	1	10	2	14
Plan 3	1,846 – 1,960	28	5	1	8	1	14
Plan 4	1,846 – 1,960	31	8	3	6	5	14
<b>Subtotal</b>		<b>134</b>	<b>36</b>	<b>7</b>	<b>33</b>	<b>11</b>	<b>58</b>
<b>Aviator</b>							
Plan 1	1,846 – 1,960	24	11	5	7	3	1
Plan 2	2,076 – 2,190	24	12	4	7	6	1
Plan 3	> 2,191	22	12	3	7	7	0
<b>Subtotal</b>		<b>70</b>	<b>35</b>	<b>12</b>	<b>21</b>	<b>16</b>	<b>2</b>
<b>TOTALS</b>		<b>429</b>	<b>141</b>	<b>26</b>	<b>122</b>	<b>36</b>	<b>140</b>

(1) Includes 10 model homes.  
Source: Lennar Homes.

The estimated base pricing range of the units within each product type, as well as the construction start date and projected closeout date for all 429 units planned for the District, assuming that Lennar Homes acquires all of the Land Bank Lots from the Land Bank, is set forth in Table 2 below.

**TABLE 2  
CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2024-1 (RENAISSANCE)**

**ESTIMATED BASE PRICING AND CLOSEOUT  
(AS OF JANUARY 20, 2026)**

<b>Product Type</b>	<b>Number of Units</b>	<b>Base Home Price Range</b>	<b>Construction Start Date</b>	<b>Estimated Buildout Date</b>
Tailwind	82	\$513,990 – \$561,511	December 2024	November 2026
Runway	143	\$542,628 – \$579,889	December 2024	January 2028
Outbound	134	\$539,590 – \$580,590	December 2024	October 2027
Aviator	70	\$604,990 – \$630,990	December 2024	October 2027
<b>TOTALS</b>	<b>429</b>			

(1) Estimated base home prices as of January 20, 2026 and do not take into account concessions, lot upgrades or other modifications, and are subject to change at any time.

Source: Lennar Homes.

**Required Infrastructure.** All backbone streets, sewer, water, and storm drain improvements required to build-out all 429 lots have been completed.

**Entitlement Status.** Other than certificates of occupancy and other permits required in the normal course of home construction, all discretionary entitlements required to complete the development and sales of homes in the District have been received.

**Conditions of Approval.** All conditions of approval required for the issuance of building permits within the District have been satisfied, and none of the remaining infrastructure improvements are required to be completed as a condition of receiving building or occupancy permits. Lennar Homes has no actual knowledge of any impediment to construction or obtaining land use entitlements which could be reasonably expected to have a material adverse effect on its ability to complete the planned development of its property within the District as described in the Official Statement.

**Financing Plan.** To date, Lennar Homes has financed its land acquisition, site development and home construction costs related to its property in the District through internally generated funds. Lennar Homes believes that such funding sources will be sufficient to complete its proposed development in the District as described herein. No assurance can be given that amounts necessary to fund the remaining planned development of Lennar Homes’ property within the District will be available when needed. Neither Lennar Homes nor any other entity or person is under any legal obligation of any kind to expend funds for the development of Lennar Homes’ property in the District. Any contributions by Lennar Homes or any other entity or person to fund the costs of such development are entirely voluntary. If and to the extent the aforementioned sources are inadequate to pay the costs to complete Lennar Homes’ planned development within the District, the remaining portions of such development may not be completed.

Lewis and Lennar Homes entered into a Profit and Participation Agreement (PAPA) which is secured by a Deed of Trust on the property owned by the Land Bank and Lennar, and which is released upon sale to a homebuyer.

Lennar Homes anticipates, but is not obligated, to acquire all of the Land Bank Lots from the Land Bank.

Although Lennar Homes expects to have sufficient funds available to complete its planned development in the District commensurate with the development timing described in this Official Statement, there can be no assurance that amounts necessary to finance the remaining development and home construction costs will be available from Lennar Homes or any other source when needed. Neither Lennar Homes, nor any of its related entities are under any legal obligation of any kind to expend funds for the development of and construction of homes on its property in the District, or the payment of *ad valorem* property taxes or the Special Taxes. Any contributions by Lennar Homes to fund the costs of such development are entirely voluntary.

If and to the extent that internal funding, including but not limited to home sales revenues, are inadequate to pay the costs to complete the planned development by Lennar Homes within the District and other financing by Lennar Homes is not put into place, there could be a shortfall in the funds required to complete the planned development by Lennar Homes in the District, and the remaining portions of Lennar Homes's project in the District may not be completed.

### **Rate and Method of Apportionment of Special Taxes**

*The following is a synopsis of the provisions of the Special Tax Formula. This synopsis does not purport to be comprehensive and should be read in conjunction with the complete text of the Special Tax Formula, including its attachments, which is attached hereto as "APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." All capitalized terms not defined in this section have the meanings set forth in APPENDIX A.*

**Land Use Classification.** Each Fiscal Year, each Assessor's Parcel within the boundaries of the District shall be classified as Taxable Property or Exempt Property. In addition, all Taxable Property within the District shall be classified as Developed Property, Approved Property, Undeveloped Property, or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with the Special Tax Formula. Furthermore, each Assessor's Parcel of Developed Property shall be classified according to its applicable Land Use Class according to its land use type based on its Building Square Footage as applicable.

**Calculation of Maximum Special Tax for Developed Property.** The Maximum Special Tax A for each Assessor's Parcel of Developed Property shall be the greater of the Assigned Special Tax A for such Assessor's Parcel of Developed Property or the Backup Special Tax A for such Assessor's Parcel of Developed Property.

The Assigned Special Tax A applicable to an Assessor's Parcel classified as Developed Property for Fiscal Year 2024-25 shall be determined pursuant to Table 1 set forth in the Special Tax Formula. For each subsequent Fiscal Year following the Base Year, the Assigned Special Tax A in Table 1 shall be increased by 2% of the amount in effect the prior Fiscal Year. For Assigned Special Tax A rates for Fiscal Year 2026-27, see Table 3 herein.

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Special Tax A. The Backup Special Tax A for an Assessor's Parcel of Developed Property, not classified as Multi-Family Property, within a Final Map shall be \$2,505 per Residential Unit for Fiscal Year 2024-2025, subject to 2% increase for each Fiscal Year thereafter.

**Method of Apportionment.** For each Fiscal Year, the CFD Administrator shall calculate the Special Tax Requirement for Facilities and levy Special Tax A on all Taxable Property in accordance with the following steps:

Step 1: The Special Tax A shall be levied Proportionately on all Assessor's Parcels of Developed Property up to 100% of the applicable Assigned Special Tax A;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after Step 1 has been completed, the Special Tax A shall be levied Proportionately on all Assessor's Parcels of Approved Property up to 100% of the Maximum Special Tax A for Approved Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after Step 1 has been completed, the Special Tax A shall be levied Proportionately on all Assessor's Parcels of Undeveloped Property up to 100% of the Maximum Special Tax A for Undeveloped Property;

Step 4: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Special Tax A amount determined in Step 1 shall be increased Proportionately on all Assessor's Parcels of Developed Property up to 100% of the Maximum Special Tax A for Developed Property; and

Step 5: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, then the Special Tax A shall be levied Proportionately on all Assessor's Parcels of Provisional Property up to 100% of the Maximum Special Tax A for Provisional Property.

In the event Building Permits have been issued prior to May 1<sup>st</sup> of the previous Fiscal Year for one or more Residential Units on a single Assessor's Parcel causing such Assessor's Parcel to be classified as Developed Property, and the County has not yet assigned final Assessor's Parcel Number(s) to such Residential Unit(s) in accordance with the Final Map applicable to such Assessor's Parcel, then the amount of the Special Tax A levy on such Assessor's Parcel shall be determined as follows: (1) the CFD Administrator shall first determine an amount of the Maximum Special Tax A for such Assessor's Parcel, based on the classification of such Assessor's Parcel as Undeveloped Property; (2) the amount of the Special Tax A and levy for the Residential Units on such Assessor's Parcel for which Building Permits have been issued shall be determined based on the Assigned Special Tax A for Developed Property, and such amount shall be levied as Developed Property in accordance with Step 1 above; and (3) the amount of the Special Tax A on the Taxable Property in such Assessor's Parcel not subject to the Special Tax A levy in clause (2) shall be equal to (A) the percentage of the Maximum Special Tax A rate levied on all other Undeveloped Property pursuant to Step 2 above multiplied by the total of the amount determined in clause (1), less (B) the amount determined in clause (2).

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Developed Property for which an occupancy permit for private residential use has been issued be increased by more than 10% above what would have been levied in the absence of such delinquencies or defaults.

**Prepayments.** The Special Tax Formula provides a methodology by which property owners may prepay, in whole or in part, their Special Tax A. See APPENDIX A.

**Term of Special Tax A.** Special Tax A shall be levied for a period not to exceed fifty (50) Fiscal Years commencing with Fiscal Year 2024-25, provided however that the Special Tax A may cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on Outstanding Bonds have been paid.

**Assigned Special Tax Rates.** The following table shows Assigned Special Taxes for Special Tax A within the District projected for Fiscal Year 2026-27.

**TABLE 3  
CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2024-1(RENAISSANCE)  
ASSIGNED SPECIAL TAXES**

<b>Land Use</b>	<b>Residential Floor Area</b>	<b>No. of Units<sup>(1)</sup></b>	<b>Fiscal Year 2026-27 Assigned Special Tax Per Unit<sup>(2)</sup></b>	<b>Projected Fiscal Year 2026-27 Special Tax Per Unit</b>	<b>Total Projected Fiscal Year 2026-27 Special Tax Levy<sup>(3)</sup></b>	<b>Percent of Total</b>
Residential Property	Less than 1,500 sq. ft.	21	\$2,112	\$2,112	\$44,352	7.02%
Residential Property	1,500 sq. ft. to 1,615 sq. ft.	0	2,181	0	0	0.00
Residential Property	1,616 sq. ft. to 1,730 sq. ft.	63	2,249	2,249	141,709	22.44
Residential Property	1,731 sq. ft. to 1,845 sq. ft.	55	2,318	2,318	127,491	20.19
Residential Property	1,846 sq. ft. to 1,960 sq. ft.	85	2,387	2,387	202,868	32.12
Residential Property	1,961 sq. ft. to 2,075 sq. ft.	0	2,455	0	0	0.00
Residential Property	2,076 sq. ft. to 2,190 sq. ft.	23	2,524	2,524	58,052	9.19
Residential Property	Greater than 2,190 sq. ft.	22	2,593	2,593	57,039	9.03
Approved Property	N/A	160	41,920	0		0.00
<b>Totals</b>		<b>429</b>			<b>\$631,510</b>	<b>100.00%</b>

(1) For parcels of Residential Property and Approved Property, reflects the number of units developed or under development as of December 1, 2025.

(2) For parcels of Approved Property, the Maximum Special Tax per Acre is shown.

(3) Includes the debt service requirement of the 2026 Bonds and the Fiscal Year 2026-27 administrative expense requirement of \$30,600. Developed Property is to be levied at the Assigned Special Tax rate until the final series of bonds is issued.

Source: Webb Municipal Finance, LLC

**Projected Maximum Special Tax Proceeds and Debt Service Coverage**

The Special Tax Formula is structured to produce Special Tax Revenues from the Assigned Special Tax A net of the Administrative Expense Requirement, which, when applied to the projected debt service on the 2026 Bonds, is anticipated to result in a debt service coverage ratio of at least 110% for the anticipated life of the 2026 Bonds. The 2026 Bonds are being sized to 110% from the 269 lots with building permits as of December 1, 2025. The following table shows the projected debt service coverage for the 2026 Bonds for the Bond Year ending September 1, 2027.

**TABLE 4  
CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2024-1  
(RENAISSANCE)  
PROJECTED DEBT SERVICE COVERAGE**

Bond Year Ending (Sept. 1)	Total Assigned Special Tax from Developed Property <sup>(1)</sup>	Less: Priority Administrative	Net Total Assigned Special Tax	Est. Bonds Debt Service	Coverage from Net Total Assigned Special Tax from Developed Property <sup>(1)</sup>
2027					

(1) Coverage has been calculated based on the total Assigned Special Taxes for the 269 parcels of Developed Property as of December 1, 2025. The actual special tax levy for FY 2026-27 will be calculated to include debt service costs, the Fiscal Year 2026-27 administrative expense requirement of \$30,600, and an adjustment to increase the Special Tax levy equal to 100% of the Assigned Special Tax rate for all Developed Property as of December 1, 2025.

Source: Webb Municipal Finance, LLC. Estimated 2026 Bonds debt service provided by Piper Sandler & Co.

Pursuant to Section 53321(d) of the Act, the special tax levied against any assessor’s parcel for which an occupancy permit for private residential use has been issued shall not be increased as a consequence of delinquency or default by the owner of any other assessor’s parcel within the district by more than 10% above the amounts that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the City may not be able to increase the tax levy to the Assigned Special Tax in all years. However, subject to the limitations on the City’s ability to levy the necessary amount of Special Taxes as imposed by Section 53321(d) of the Act, the City can levy Special Taxes on Undeveloped Property to make up all or a portion of such shortfall.

**Appraised Property Value**

*The information below is only a summary of certain information contained in the Appraisal Report. The Appraisal Report is reprinted herein as Appendix B. The information below is qualified in its entirety by the complete Appraisal Report. The City makes no representation as to the accuracy or completeness of the Appraisal Report.*

**The Appraisal Report.** The 2026 Bonds are secured by Special Taxes which may include amounts realized upon foreclosure sale of delinquent parcels. Therefore, the ability of the District to meet debt service on the 2026 Bonds may depend on the ability of delinquent parcels to generate sufficient proceeds upon foreclosure sale to pay delinquent Special Taxes. The City

commissioned Stephen G. White, MAI, Fullerton, California (the “Appraiser”) to ascertain the “as is” market value of the fee simple estate for the four product types of taxable property in the District. As of the date of value for the Appraisal Report (December 1, 2025), 129 single-family homes were owned by individual homeowners, 25 completed homes were owned by Lennar Homes (including 10 model homes), 44 homes under construction were owned by Lennar Homes, 63 homes under construction were owned by the Land Bank, and 168 near finished lots were owned by the Land Bank. The Appraiser estimated that, as of the date of value, the “as is” market value of the fee simple estate (subject to the lien of the Special Taxes) of all the taxable land and improvements within the District was \$127,910,000. Below is a table summarizing the components of the market value of the taxable property within the four product types within the District as detailed in the Appraisal Report.

**TABLE 5  
CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2024-1 (RENAISSANCE)  
APPRAISAL VALUE SUMMARY**

Product Type	No. of Lots	Appraised Value
<b>Tailwind</b>		
<i>Individual Owners (completed-closed homes)</i>	32	\$15,360,000
<i>Builder Ownership (completed-unclosed homes)</i>	6	2,310,000
<i>Builder Ownership (homes under construction)</i>	24	4,950,000
<i>Builder Ownership (vacant lots)</i>	20	3,270,000
<b>Subtotal</b>	<b>82</b>	<b>\$25,890,000</b>
<b>Runway</b>		
<i>Individual Owners (completed-closed homes)</i>	30	\$15,000,000
<i>Builder Ownership (completed-unclosed homes)</i>	9	3,600,000
<i>Builder Ownership (homes under construction)</i>	24	4,710,000
<i>Builder Ownership (vacant lots)</i>	80	13,470,000
<b>Subtotal</b>	<b>143</b>	<b>\$36,780,000</b>
<b>Outbound</b>		
<i>Individual Owners (completed-closed homes)</i>	33	\$16,830,000
<i>Builder Ownership (completed-unclosed homes)</i>	6	2,430,000
<i>Builder Ownership (homes under construction)</i>	29	5,990,000
<i>Builder Ownership (vacant lots)</i>	66	11,450,000
<b>Subtotal</b>	<b>134</b>	<b>\$36,700,000</b>
<b>Aviator</b>		
<i>Individual Owners (completed-closed homes)</i>	34	\$18,700,000
<i>Builder Ownership (completed-unclosed homes)</i>	4	1,760,000
<i>Builder Ownership (homes under construction)</i>	30	7,710,000
<i>Builder Ownership (vacant lots)</i>	2	370,000
<b>Subtotal</b>	<b>70</b>	<b>\$28,540,000</b>
<b>TOTALS</b>	<b>429</b>	<b>\$127,910,000</b>

Source: Appraisal Report.

An updated Appraisal Report has not been requested by the City or the District or completed by the Appraiser since the original date of value. On the date of issuance of the 2026 Bonds, the Appraiser will certify that the Appraiser is aware that acts and events may have occurred since the date of value of the Appraisal Report which could result in both positive and negative effects on the market value of the appraised property. However, the Appraiser has not performed additional research or valuation analysis specific to the subject property since the date

of the Appraisal Report. The Appraisal Report's value estimates reflect certain assumptions set forth in the Appraisal Report including that all costs reported by Lennar Homes are accurate, including but not limited to the remaining impact fees and lot costs. Any variance in costs could impact the value conclusions reported in the Appraisal Report.

For a full description of the assumptions relied upon by the Appraiser, as well as a description of the valuation methodology, see APPENDIX B – "APPRAISAL REPORT." The Appraisal Report was prepared in accordance with and subject to the requirements of The Appraisal Standards for Land Secured Financing as published by the California Debt and Investment Advisory Commission, the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. See APPENDIX B – "APPRAISAL REPORT."

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

The tables below show the projected aggregate value to burden ratio for the 429 taxable units within the District based on the appraised values set forth in the Appraisal Report and the principal amount of the 2026 Bonds; there is no overlapping land-secured debt. The following value-to-lien ratios only represent estimated averages for the taxable property within the District, and value-to-lien ratios for individual units may vary. No assurance can be given that the amounts shown in these tables will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Special Taxes.

*[The remainder of this page is intentionally left blank.]*

**Value-to-Lien Ratios by Property Owner.** The following table shows appraised value-to-lien ratios for all 429 taxable units within the District by property owner, projected for Fiscal Year 2026-27 based on the development status of land within the District as of December 1, 2025.

**TABLE 6  
CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2024-1 (RENAISSANCE)  
APPRAISED VALUE-TO-LIEN RATIOS BY PROPERTY OWNER  
(ENTIRE DISTRICT)**

<b>Property Owner<sup>(1)</sup></b>	<b>Parcel Count</b>	<b>Maximum Special Tax</b>	<b>Percent of Maximum Special Tax</b>	<b>Projected Fiscal Year 2026-27 Special Tax Levy<sup>(2)</sup></b>	<b>Percent of Projected Fiscal Year 2026-27 Special Tax Levy</b>	<b>Total Appraised Value<sup>(3)</sup></b>	<b>2026 Bonds<sup>*(4)</sup></b>	<b>Aggregate Value-to-Lien Ratio*</b>
<b>Individual Homeowners</b>								
Completed	129	\$336,200	30.27%	\$303,143	48.00%	\$65,890,000	\$5,040,307	13.07:1
<b>AG EHC II (LEN) CA 4, L.P.</b>								
Under Construction	63	\$164,191	14.78%	\$148,507	23.52%	\$11,920,000	\$2,469,192	4.83:1
Vacant Lot	168	430,310	38.75	18,613	2.95	28,560,000	309,471	92.29:1
<b>AG EHC II (LEN) CA 4, L.P. Subtotal</b>	<b>231</b>	<b>\$594,501</b>	<b>53.53%</b>	<b>\$167,119</b>	<b>26.46%</b>	<b>\$40,480,000</b>	<b>\$2,778,663</b>	<b>14.57:1</b>
<b>Lennar Homes</b>								
Completed	25	\$65,155	5.87%	\$57,882	9.17%	\$10,100,000	\$962,386	10.49:1
Under Construction	44	114,673	10.33	103,366	16.37	11,440,000	1,718,644	6.66:1
<b>Lennar Homes Subtotal</b>	<b>69</b>	<b>\$179,828</b>	<b>16.19%</b>	<b>\$161,247</b>	<b>25.53%</b>	<b>\$21,540,000</b>	<b>\$2,681,030</b>	<b>8.03:1</b>
<b>Totals</b>	<b>429</b>	<b>\$1,110,529</b>	<b>100.00%</b>	<b>\$631,510</b>	<b>100.00%</b>	<b>\$127,910,000</b>	<b>\$10,500,000</b>	<b>12.18:1</b>

\* Preliminary; subject to change.

(1) Based upon ownership information and development status as of December 1, 2025.

(2) Includes the debt service requirement of the 2026 Bonds and the Fiscal Year 2026-27 administrative expense requirement of \$30,600. Developed Property is to be levied at the Assigned Special Tax rate until the final series of bonds is issued. (3) Appraised Valuation is as of December 1, 2025.

(4) Allocated based on the projected Fiscal Year 2026-27 Special Tax Levy.

Source: Webb Municipal Finance, LLC

**Value-to-Lien Stratification for Parcels of Developed Property.** The following table shows appraised value-to-lien ratios for the 269 taxable units within the District classified as Developed Property under the Special Tax Formula as of December 1, 2025, projected for Fiscal Year 2026-27.

**TABLE 7  
CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2024-1 (RENAISSANCE)**

**VALUE-TO-LIEN STRATIFICATION FOR PARCELS OF DEVELOPED PROPERTY  
(269 UNITS CLASSIFIED AS DEVELOPED PROPERTY)\***

<b>Appraised Value to Lien<sup>(1)</sup></b>	<b>No. of Taxable Units</b>	<b>Percent of Total Parcels</b>	<b>Total Appraised Value</b>	<b>Percent of Total Appraised Value</b>	<b>Projected Special Tax FY 2026-27 Levy<sup>(2)</sup></b>	<b>Percent of Projected FY 2026-27 Special Tax Levy</b>	<b>2026 Bonds*</b>	<b>Aggregate Value-to-Lien Ratio*</b>
Less than 5.00:1 <sup>(3)</sup>	54	20.07%	\$9,277,000	9.21%	\$125,447	19.86%	\$2,085,788	4.45:1
Between 5.00:1 to 7.99:1	61	22.68	15,430,000	15.32	145,038	22.97	2,411,519	6.40:1
Between 8.00:1 to 10.99:1	23	8.55	9,220,000	9.16	53,108	8.41	883,021	10.44:1
Greater than 10.99:1 <sup>(4)</sup>	131	48.70	66,770,000	66.31	307,917	48.76	5,119,673	13.04:1
<b>Total</b>	<b>269</b>	<b>100.00%</b>	<b>\$100,697,000</b>	<b>100.00%</b>	<b>\$631,510</b>	<b>100.00%</b>	<b>\$10,500,000</b>	<b>9.59:1</b>

\* Preliminary; subject to change.

(1) Value-to-Lien Ratios based upon the principal amount of the 2026 Bonds and Appraised Value.

(2) Includes the debt service requirement of the 2026 Bonds and the Fiscal Year 2026-27 administrative expense requirement of \$30,600. Developed Property is to be levied at the Assigned Special Tax rate until the final series of bonds is issued.

(3) Minimum estimated Value-to-Lien is 4.24:1.

(4) Maximum estimated Value-to-Lien is 13.86:1.

Source: Webb Municipal Finance, LLC.

**Direct and Overlapping Governmental Obligations**

Properties in the District are within the jurisdiction of a number of overlapping local agencies providing public services and assessing property taxes, assessments, special taxes and other charges on the property in the District. Many of these local agencies have outstanding debt. The table on the following page details the direct and overlapping debt currently encumbering property within the District.

**TABLE 8  
CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2024-1 (RENAISSANCE)  
DIRECT AND OVERLAPPING DEBT**

**APPRAISED VALUE**

Appraised Valuation<sup>(1)</sup>

\$127,910,000

**LAND SECURED BOND INDEBTEDNESS**

**Outstanding Direct and Overlapping Bonded Debt**

	Type	Parcels in CFD 2024-1	Issued	Outstanding	% Applicable	Amount Applicable
Rialto CFD No. 2024-1	CFD	429	\$10,500,000	\$10,500,000 <sup>(2)</sup>	100.00%	\$10,500,000
<b>TOTAL LAND SECURED BONDED DEBT<sup>(3)</sup></b>						<b>\$10,500,000</b>

**Authorized and Unissued Direct and Overlapping Bonded Debt**

	Type	Parcels in CFD 2024-1	Authorized	Unissued	% Applicable	Amount Applicable
Rialto CFD No. 2024-1	CFD	429	\$25,000,000	\$14,500,000 <sup>(4)</sup>	100.00%	\$14,500,000
<b>TOTAL UNISSUED LAND SECURED INDEBTEDNESS<sup>(3)</sup></b>						<b>\$14,500,000</b>

**TOTAL OUTSTANDING AND UNISSUED LAND SECURED INDEBTEDNESS**

**\$25,000,000**

**GENERAL OBLIGATION BOND INDEBTEDNESS**

**Outstanding Direct and Overlapping Bonded Debt**

	Type	Parcels in CFD 2024-1	Issued	Outstanding	% Applicable <sup>(5)</sup>	Amount Applicable
San Bernardino Community College (0.04989275%)	GO	429	\$1,160,000,000	833,726,339	0.03220%	\$268,435
Rialto Unified School District (0.07321468%)	GO	429	237,990,235	127,650,197	0.24123	307,927
San Bernardino Valley Municipal Water District (0.11000%)	GO	429	25,000,000	35,000	0.03919	14
<b>TOTAL GENERAL OBLIGATION BONDED DEBT<sup>(3)</sup></b>						<b>\$576,376</b>

**Authorized and Unissued Direct and Overlapping Indebtedness**

	Type	Parcels in CFD 2024-1	Authorized	Unissued	% Applicable <sup>(5)</sup>	Amount Applicable
San Bernardino Community College (0.04989275%)	GO	429	\$1,160,000,000	\$0	0.03220%	\$0
Rialto Unified School District (0.07321468%)	GO	429	498,000,000	260,009,765	0.24123	627,214
San Bernardino Valley Municipal Water District (0.11000%)	GO	429	25,000,000	0	0.03919	0
<b>TOTAL UNISSUED GENERAL OBLIGATION INDEBTEDNESS<sup>(3)</sup></b>						<b>\$627,214</b>

**TOTAL OUTSTANDING AND UNISSUED GENERAL OBLIGATION INDEBTEDNESS**

**\$1,203,590**

<b>TOTAL OF ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT</b>	<b>\$11,076,376</b>
<b>TOTAL OF ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING INDEBTEDNESS</b>	<b>\$26,203,590</b>

**IV. Ratios to Appraised Valuation**

Outstanding Land Secured Bonded Debt	12.18:1
Total Outstanding Direct and Overlapping Bonded Debt	11.55:1

(1) Appraised Valuation is as of December 1, 2025.

(2) Outstanding debt for CFD 2024-1 is based on preliminary bond sizing information provided by the Underwriter.

(3) Additional bonded debt or available bond authorization may exist but is not shown because a tax was not levied for Fiscal Year 2025-26.

(4) Parity bonds may be issued with respect to the remaining \$14,500,000 in bond authorization.

(5) Percentage applicable determined by Fiscal Year 2025-26 Equalized Roll Assessed Value information.

Source: Webb Municipal Finance, LLC.

In addition to the bonded indebtedness set forth in Table 8, any general obligation bonds currently authorized but not issued within the District will likely be issued and new general obligation bonds may be authorized at future elections. New community facilities districts or special assessment districts may be formed which include all or a portion of the District, resulting in the issuance of more bonds and the levy of additional special taxes or other taxes and assessments on parcels within the District. In addition to the Special Taxes, the property owners in the District will be required to pay the general *ad valorem* property taxes for their parcels. See “SPECIAL RISK FACTORS—Parity Taxes and Special Assessments” and “—Appraised Valuations; Value-to-Lien Ratios.”

As shown in Table 9, taxable property within the District is subject to annual special taxes for services for the District (“Special Tax B”). For Fiscal Year 2026-27, Special Tax B was projected at \$473.48 per Residential Unit. Pursuant to the Special Tax Formula, the Maximum Special Tax B shall be increased each Fiscal Year by the lesser of (i) the 12-month percentage change increase in the Consumer Price Index or (ii) 3% of the amount in effect the prior Fiscal Year. In the event the Consumer Price Index is negative, there will be no change to the Maximum Special Tax B from the amount in effect the prior Fiscal Year.

Undeveloped Property is not subject to Special Tax B. The Special Tax B is not pledged to the 2026 Bonds.

*[Remainder of Page Intentionally Left Blank]*

## Estimated Tax Burden

The following table sets forth the estimated average total tax burden for Fiscal Year 2026-27 for individually owned lots of Developed Property in the District, by Land Use Class (as described in the Special Tax Formula), based on average home values and projected Special Tax rates for Fiscal Year 2026-27.

**TABLE 9  
CITY OF RIALTO  
COMMUNITY FACILITIES DISTRICT NO. 2024-1 (RENAISSANCE)  
AVERAGE FISCAL YEAR 2026-27 TAX OBLIGATION<sup>(1)</sup>  
FOR INDIVIDUALLY OWNED PARCELS OF DEVELOPED PROPERTY**

Land Use Class	SFR1	SFR3	SFR4	SFR5	SFR7	SFR8
Average Home Value <sup>(2)</sup>	\$480,000	\$496,452	\$494,800	\$517,000	\$550,000	\$550,000
Ad Valorem Property Taxes:						
Basic Levy (1.0000%)	\$4,800.00	\$4,964.52	\$4,948.00	\$5,170.00	\$5,500.00	\$5,500.00
San Bernardino Community College (0.04989275%)	239.49	247.69	246.87	257.95	274.41	274.41
Rialto Unified School District (0.07321468%)	351.43	363.48	362.27	378.52	402.68	402.68
San Bernardino Valley Municipal Water (0.11000000%)	528.00	546.10	544.28	568.70	605.00	605.00
<b>Total General Property Taxes</b>	<b>\$5,918.92</b>	<b>\$6,121.78</b>	<b>\$6,101.42</b>	<b>\$6,375.17</b>	<b>\$6,782.09</b>	<b>\$6,782.09</b>
Assessment, Special Taxes & Parcel Charges:						
Rialto Vector Control	\$5.62	\$5.62	\$5.62	\$5.62	\$5.62	\$5.62
Rialto LLMD 2	51.34	51.34	51.34	51.34	51.34	51.34
Rialto SLD 1	26.08	26.08	26.08	26.08	26.08	26.08
Rialto CFD 2024-1 Services <sup>(3)</sup>	473.48	473.48	473.48	473.48	473.48	473.48
Rialto CFD 2024-1 Facilities <sup>(4)</sup>	2,112.01	2,249.34	2,318.01	2,386.68	2,524.01	2,592.68
<b>Total Assessment Charges</b>	<b>\$2,668.54</b>	<b>\$2,805.87</b>	<b>\$2,874.53</b>	<b>\$2,943.20</b>	<b>\$3,080.53</b>	<b>\$3,149.20</b>
<b>Average Total Property Tax</b>	<b>\$8,587.45</b>	<b>\$8,927.65</b>	<b>\$8,975.95</b>	<b>\$9,318.37</b>	<b>\$9,862.62</b>	<b>\$9,931.29</b>
<b>Average Effective Tax Rate</b>	<b>1.79%</b>	<b>1.80%</b>	<b>1.81%</b>	<b>1.80%</b>	<b>1.79%</b>	<b>1.81%</b>

(1) Average FY 2026-27 tax rates based upon FY 2025-26 Overlapping Taxes and Assessments.

(2) Average Home Value is based upon the value of homes conveyed to individuals as indicated in the Appraisal Report.

(3) Reflects average projected FY 2026-27 Rialto CFD 2024-1 services special tax for parcels of Developed Property.

(4) Reflects average projected FY 2026-27 Rialto CFD 2024-1 facilities special tax for parcels of Developed Property.

Source: Webb Municipal Finance, LLC.

## **Special Tax Levies and Delinquencies**

Fiscal Year 2025-26 is the first year that the Special Tax is being levied in the District.

### **SPECIAL RISK FACTORS**

*The purchase of the 2026 Bonds involves significant investment risks and, therefore, the 2026 Bonds may not be suitable investments for many investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the 2026 Bonds. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the 2026 Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the District. See "SPECIAL RISK FACTORS – Appraised Valuations; Value-to-Lien Ratios" and "– No Ratings and Limited Secondary Market" below.*

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

The Owners of the 2026 Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of residential property or commercial buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses; (iv) adverse changes in local market conditions; and (v) increased delinquencies due to rising mortgage costs and other factors.

Other factors that could adversely affect property values in the District include, among others, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, and destruction of property caused by man-made disasters.

#### **Limited Obligations**

The 2026 Bonds and interest thereon are not payable from the general funds of the City. Except with respect to the Special Taxes, neither the credit nor the taxing power of the District or the City is pledged for the payment of the 2026 Bonds or the interest thereon, and no Owner of the 2026 Bonds may compel the exercise of any taxing power by the District or the City or force the forfeiture of any City property. The principal of, premium, if any, and interest on the 2026 Bonds are not a debt of the City or a legal or equitable pledge, charge, lien or encumbrance upon any of the City's or the District's property or upon any of the City's or the District's income, receipts or revenues, except the Special Tax Revenues and other amounts pledged under the Fiscal Agent Agreement.

#### **Insufficiency of Special Taxes**

Given limitations in the Act regarding increases in Special Taxes on residential parcels to address Special Tax delinquencies, the potential coverage to respond to delinquencies is approximately 110% of Annual Debt Service. Notwithstanding that the maximum Special Taxes that may be levied in

the District exceeds debt service due on the 2026 Bonds, the Special Taxes collected could be inadequate to make timely payment of debt service either because of nonpayment or because property becomes exempt from taxation.

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

The Act provides that, if any property within the District not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts. Due to problems of collecting taxes from public agencies, if a substantial portion of land within the District became exempt from the Special Tax because of public ownership, or otherwise, the Maximum Special Taxes which could be levied upon the remaining property within those areas might not be sufficient to pay principal of and interest on the 2026 Bonds when due and a default could occur with respect to the payment of such principal and interest.

**Moreover, if a substantial portion of land within the District became exempt from the Special Tax because of public ownership, or otherwise, the maximum Special Tax which could be levied upon the remaining property within the District might not be sufficient to pay principal of and interest on the 2026 Bonds when due and a default could occur with respect to the payment of such principal and interest.**

### **Impact of Economic Conditions on Development within the District**

Certain events and factors which negatively affect the regional, State and national economies could have an adverse effect on the pace at which the current or any future developers in the District can complete the future homes, and demand by, and the ability of individuals to purchase homes within the District. Such events and factors could include rising inflation and interest rates, persistent supply chain issues and global market instability caused by geopolitical events. Any adverse impact of the foregoing and other economic factors on the project in the District and the real estate market in general cannot be predicted.

### **Increasing Mortgage Interest Rates**

Since approximately November 2021, interest rates for mortgage loans increased and remained relatively elevated compared to recent times. Increases in mortgage interest rates could have a negative impact on the estimated absorption rates of the planned for-sale residential units in the District described herein. With respect to entry-level households, increased mortgage interest rates may adversely impact the affordability of homes and may increase mortgage payment levels for owning a lower-priced home relative to renting a residence, thereby making purchasing less attractive. With respect to move-up households, higher mortgage interest rates may impact the desire of current homeowners to move from their present home due to the fact that their present home likely has a relatively low mortgage interest rate. In addition, in such instances, a new home would likely have a higher interest rate on a new mortgage loan as well as a higher purchase price and property taxes. Such considerations may decrease the desire for move-up households to purchase a new home. The foregoing factors could reduce demand for and/or the ability to achieve the sales prices of the planned

for-sale homes within the District as described herein. The City cannot predict whether future changes in financial markets may occur which may impact interest rates, availability of mortgage loans, or availability of funding which impact development in the District.

### **Concentration of Ownership**

Based on development and ownership status as of December 1, 2025 (and assuming no further development activity and transfer of ownership), Lennar Homes is projected to be responsible for a substantial portion of the projected Special Tax levy in the District.

The timely payment of principal of and interest on the 2026 Bonds depends upon the willingness and ability of the current and future property owners in the District to pay the Special Taxes prior to delinquency. General and local economic conditions and governmental requirements or restrictions may affect the willingness of the current property owners, or any successor property owners, to pay the Special Taxes, and there is no assurance that the current property owners, or any successor property owners, will pay such Special Taxes even if financially able to do so. Due to the concentration of ownership of the property within the District, a failure by Lennar Homes or any successor property owner thereto to pay the Special Taxes may result in a default in the payment of debt service on the 2026 Bonds.

### **Depletion of 2026 Reserve Account**

The 2026 Reserve Account is maintained in an amount equal to the 2026 Reserve Requirement. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS – Special Tax Fund – 2026 Reserve Account.” Funds in the 2026 Reserve Account may be used to pay principal of and interest on the 2026 Bonds in the event the proceeds of the levy and the collection of the Special Taxes against the property in the District is not sufficient. If the 2026 Reserve Account is depleted, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay Administrative Expenses and principal and interest on the 2026 Bonds. However, no replenishment of the 2026 Reserve Account from the proceeds of the Special Taxes can occur as long as the proceeds that are collected from the levy of the Special Taxes at the maximum tax rates (subject to the limitations of the Act), together with available funds, remain insufficient to pay all such amounts. Thus, it is possible that the 2026 Reserve Account will be depleted and not replenished by the levy of the Special Taxes.

### **Risk of Structural or Wildland Fires**

In recent years, wildfires have caused extensive damage throughout the State, including within the County. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. In some instances entire neighborhoods have been destroyed. Several fires in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. In 2023, for example, devastating wildfires burned in various communities in the State, causing wide-spread damage. In 2025, communities in Los Angeles County, including Pacific Palisades (Palisades Fire), Malibu and Altadena (Eaton Fire), experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage.

On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the “Governor’s Order”) which canceled penalties, costs and interest on overdue property taxes (including special taxes) within certain ZIP codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of property taxes, including special taxes, by certain property owners in any community facilities district affected by the Governor’s Order. Unless the majority of property owners within any such community facilities district pay their special taxes

voluntarily or have mortgage impound accounts, it is likely that the community facilities districts will need to draw upon a reserve fund to make debt service payments on outstanding bonds prior to the expiration of the Governor's Order and it is possible that outstanding bonds will experience a payment default. In the event of a major fire or other natural disaster affecting the District a similar order affecting the District could impact the debt service payments for the 2026 Bonds.

Fire hazards increase with any drought period, and are highest for structures at the fringe of forested or wildland areas. In addition to the damage caused directly by a foothill fire, further damage may be caused by resulting mudslides during subsequent rains. In the event of damage to real property within the District, the property owner could become unwilling or unable to pay the Special Taxes when due.

## **Natural Disasters**

Land within the District, like all California communities, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. Southern California is a seismically active area. Seismic activity, wildfires and other natural disasters represents a potential risk for damage to buildings, roads, bridges, and property within the District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event.

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

The District is not located in an Alquist-Priolo Earthquake Fault Zone. The nearest fault is the San Jacinto fault, which is located approximately 1.5 miles to the northeast.

The District is located in Zone X of FEMA Flood Zone designations which indicates areas that are determined to be outside of the 100- and 500-year floodplains and out of a Special Flood Hazard Area.

CalFire has classified the District as not located in an area of concern.

No assurance can be given that there will be no natural disasters in the future that will impact the District or to the extent to which any future natural disasters may impact the property in the District.

## **Hazardous Substances**

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

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

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

## **Parity Taxes and Special Assessments**

Property within the District is subject to taxes and assessments imposed by public agencies also having jurisdiction over the land within the District. See “THE DISTRICT – Direct and Overlapping Governmental Obligations.”

The Special Taxes and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special taxes and special assessments levied by the City and other agencies and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property except, possibly, for liens or security interests held by the Federal Deposit Insurance Corporation. See “SPECIAL RISK FACTORS – Bankruptcy and Foreclosure” below.

**Neither the City nor the District has control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within the District. In addition, the landowners within the District may, without the consent or knowledge of the City, petition other public agencies to issue public indebtedness secured by special taxes, *ad valorem* taxes or assessments. Any such special taxes, *ad valorem* taxes or assessments may have a lien on such property on a parity with the Special Taxes and could reduce the estimated value-to-lien ratios for property within the District described herein.**

## **Disclosures to Future Purchasers**

The willingness or ability of an owner of a parcel to pay the Special Tax, even if the value of the parcel is sufficient, may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and the risk of such a levy, and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The City caused Notices of Special Tax lien to be recorded in the Office of the Recorder for the County against each parcel. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a property within the District or lending of money thereon.

The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the

special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

### **Special Tax Delinquencies**

Special Taxes are the primary source for the repayment of the 2026 Bonds, and delinquencies could result in a draw on the 2026 Reserve Account and, if the 2026 Reserve Account were to be depleted, could cause a default in payment on the 2026 Bonds.

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the 2026 Bonds are derived, are customarily billed to the properties within the District on the *ad valorem* property tax bills sent to owners of such properties. The Act currently provides that such Special Tax installments are due and payable and are subject to the same lien priority in the case of delinquency as are *ad valorem* property tax installments.

See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS – Covenant to Commence Foreclosure Proceedings,” for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Fiscal Agent Agreement, in the event of delinquencies in the payment of Special Taxes. See “THE DISTRICT – Special Tax Levies and Delinquencies” for a history of Special Tax delinquency rates in the District. See “– Bankruptcy and Foreclosure” below, for a discussion of the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes and assessments and limitations on the District’s ability to foreclose on the lien of the Special Taxes in certain circumstances.

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

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

### **Appraised Valuations; Value-to-Lien Ratios**

The value of land within the District is an important factor in evaluating the investment quality of the 2026 Bonds. In the event that a property owner defaults in the payment of Special Tax installments, the District’s only remedy is to judicially foreclose on that property. Prospective purchasers of the 2026 Bonds should not assume that the property within the District could be sold for the appraised value described in this Official Statement at a foreclosure sale for delinquent Special Tax installments or for an amount adequate to pay delinquent Special Tax installments. Reductions in property values within the District due to a downturn in the economy or the real estate market, events such as earthquakes, droughts, or floods, stricter land use regulations, threatened or endangered species or other events may adversely impact the security underlying the Special Taxes.

The values of taxable property set forth in the various tables herein are based upon the property values determined by the Appraiser. The Appraisal Report was prepared for the purpose of estimating the market value of such property as of the specified date of value in its as is condition on the basis of certain assumptions and limiting conditions. The appraised values for the completed-closed homes were not determined on a bulk sale basis, and value may be substantially less if all the properties were subject to foreclosure at the same time.

Prospective purchasers of the 2026 Bonds should not assume, however, that such parcels could be sold for the appraised amount described herein at the present time or at a foreclosure sale for delinquent Special Taxes. See the Appraisal Report included as Appendix B hereto for a brief description of the analysis used and assumptions made by the Appraiser. The actual value of the property is subject to future events that might render invalid the assumptions relied upon by the Appraiser in determining the appraised value.

No assurance can be given that the estimated value-to-lien ratios as set forth in “THE DISTRICT – Appraised Value-to-Lien Ratios” will be maintained over time. As discussed herein, many factors that are beyond the control of the District could adversely affect the property values within the District. The City does not have any control over the amount of additional indebtedness that may be issued by other public agencies, the payment of which through the levy of a tax or an assessment is on a parity with the Special Taxes. A decrease in the assessed values in the District or an increase in the indebtedness secured by taxes and amounts with parity liens on property in the District, or both, could result in a lowering of the value-to-lien ratios of the property in the District. See “THE DISTRICT – Appraised Value-to-Lien Ratios” herein.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS – Covenant to Commence Foreclosure Proceedings.”

#### **FDIC/Federal Government Interests in Properties**

The ability of the City to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to parcels in which the FDIC, or other federal government entities such as Fannie Mae, Freddie Mac, the Drug Enforcement Agency, the Internal Revenue Service or other federal agency, has or obtains an interest.

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

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

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although

prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

In the case of Fannie Mae and Freddie Mac, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

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

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

### **Bankruptcy and Foreclosure**

Bankruptcy, insolvency, and other laws generally affecting creditors' rights could adversely impact the interests of Beneficial Owners of the 2026 Bonds. The payment of property owners' taxes and the ability of the District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS – Covenant to Commence Foreclosure Proceedings." In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

Although a bankruptcy proceeding would not cause the Special Taxes to become extinguished, the amount of any Special Tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in prosecuting Superior Court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of delinquent Special Tax installments and the possibility of delinquent Special Tax installments not being paid in full.

The various legal opinions to be delivered concurrently with the delivery of the 2026 Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Moreover, the ability of the District to commence and prosecute enforcement proceedings may be limited by bankruptcy, insolvency and other laws generally affecting creditors' rights (such as the Soldiers' and Sailors' Relief Act of 1940) and by the laws of the State relating to judicial foreclosure.

### **No Acceleration Provision**

The 2026 Bonds do not contain a provision allowing for the acceleration of the 2026 Bonds in the event of a payment default or other default under the 2026 Bonds or the Fiscal Agent Agreement.

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

The IRS has initiated an expanded program for the auditing or examination of tax-exempt securities issues, including both random and targeted audits. It is possible that the 2026 Bonds will be selected for audit or examination by the IRS. It is also possible that the market value of the 2026 Bonds might be affected as a result of such an audit of the 2026 Bonds (or by an audit of similar bonds or securities).

### **Loss of Tax Exemption**

As discussed under the caption "TAX MATTERS," interest on the 2026 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the 2026 Bonds as a result of a failure by the District to comply with certain provisions of the Code. In addition, the introduction or enactment of any of legislation could adversely affect the market value or liquidity of the 2026 Bonds. Should an event of taxability occur, the 2026 Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the redemption provisions of the Fiscal Agent Agreement.

### **Limitations on Remedies**

Remedies available to the Beneficial Owners of the 2026 Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the 2026 Bonds or to preserve the tax-exempt status of the 2026 Bonds.

Bond Counsel has limited its opinion as to the enforceability of the 2026 Bonds and of the Fiscal Agent Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation, or modification of the rights of the Beneficial Owners of the 2026 Bonds.

### **No Ratings and Limited Secondary Market**

The City has not applied to have the 2026 Bonds rated by any nationally recognized bond rating company and it does not expect to do so in the future.

There can be no guarantee that there will be a secondary market for the 2026 Bonds or, if a secondary market exists, that the 2026 Bonds can be sold at all or for any particular price. Although the City has committed to provide certain financial and operating information on an annual basis, there can be no assurance that such information will be available to Beneficial Owners on a timely basis. See "CONTINUING DISCLOSURE." The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market

is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

### **Proposition 218**

An initiative measure commonly referred to as the “Right to Vote on Taxes Act” (the “Initiative”) was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIC and Article XIID to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” The provisions of the Initiative have not yet been interpreted by the courts, although several lawsuits have been filed requesting the courts to interpret various aspects of the Initiative. The Initiative could potentially impact the Special Taxes available to the District to pay the principal of and interest on the 2026 Bonds as described below.

Among other things, Section 3 of Article XIII states that “. . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge.” The Act provides for a procedure which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

“Section 3 of Article XIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.”

Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the 2026 Bonds.

It may be possible, however, for voters or the City Council acting as the legislative body of the District to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the 2026 Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the 2026 Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses. Nevertheless, to the maximum extent that the law permits it to do so, the District will covenant in the Fiscal Agent Agreement that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates on parcels within the District to an amount that is less than the sum of the estimated Administrative Expenses and 110% of gross debt service in each future Bond Year on all Bonds to remain Outstanding after the reduction is approved. In connection with the foregoing covenant, the City has made a finding and determination that any elimination or reduction of Special Taxes below the foregoing level would interfere with the timely retirement of the 2026 Bonds. The City also will covenant in the Fiscal Agent Agreement that, in the event an initiative is adopted which purports to alter the Special Tax Formula, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

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

### **Case Law Related to the Mello-Roos Act**

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997). The case involved a Convention Center Facilities District (the “CCFD”) established by the City of San Diego. The CCFD is a financing district established under the City’s charter (the “Charter”) and was intended to function much like a community facilities district established under the Act. The CCFD was comprised of all of the real property in the entire City. However, the CCFD special tax was to be levied only on properties in the CCFD that were improved with a hotel.

At the election to authorize the CCFD special tax, the CCFD proceedings limited the electorate to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel was located. Registered voters in the City of San Diego were not permitted to vote. This definition of the qualified electors of the CCFD was based on Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed community facilities district whose property would be subject to the special tax.

The *San Diego* Court held that the CCFD special tax election did not comply with the City’s Charter and with applicable provisions of the California Constitution -- specifically Article XIII A, section 4 (“Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district. . . .”) and Article XIII C, section 2(d) (“No local government may impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote.”) -- because the electors in the CCFD election should have been the registered voters residing within the CCFD (the boundaries of which were coterminous with the boundaries of the City of San Diego).

As to the District, there were no registered voters within the District at the time of the election to authorize the Special Taxes. Significantly, the *San Diego* Court expressly stated that it was not addressing the validity of a landowner election to impose special taxes on residential property pursuant to the Act in situations where there are fewer than 12 registered voters. Therefore, by its terms, the *San Diego* Court’s holding does not apply to the special tax election held for the District.

Moreover, Sections 53341 and 53359 of the Act establish a limited period of time in which special taxes levied under the Act may be challenged by a third party:

53341. Any action or proceeding to attack, review, set aside, void, or annul the levy of a special tax or an increase in a special tax pursuant to [the Act] shall be commenced within 30 days after the special tax is approved by the voters. . . .

53359. An action to determine the validity of bonds issued pursuant to [the Mello-Roos Act] or the validity of any special taxes levied pursuant to [the Act] . . . shall . . . be commenced within 30 days after the voters approve the issuance of the bonds or the special tax . . .

Section 53326(b) of the Act defines the authorized voters for an election in which the special taxes will be levied on residential property: “Except as otherwise provided in subdivision (c), if at least 12 persons, who need not necessarily be the same 12 persons, have been registered to vote within the

territory of the proposed community facilities district for each of the 90 days preceding the close of the protest hearing, the vote shall be by the registered voters of the proposed district, with each voter having one vote. Otherwise, the vote shall be by the landowners of the proposed district and each person who is the owner of land at the close of the protest hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the proposed community facilities district not exempt from the special tax....”

Landowner voters approved the Special Taxes and the issuance of bonds for the District in compliance with all applicable requirements of the Act. Therefore, pursuant to Sections 53341 and 53359 of the Act, the statute of limitations period to challenge the validity of the special tax has expired. Because the *San Diego* Court expressly stated that it did not consider the facts presented by the District and because the period for challenging the Special Taxes has passed, the City believes the Special Taxes are valid and cannot be challenged.

### **Ballot Initiatives**

Articles XIII C and XIII D were adopted pursuant to measures qualified for the ballot pursuant to California’s constitutional initiative process. On March 6, 1995, in the case of *Rossi v. Brown*, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the City, or local districts to increase revenues or to increase appropriations. See “– Risks of Real Estate Secured Investments Generally” above.

### **Extraordinary Redemption from Prepaid Special Taxes**

The 2026 Bonds are subject to redemption in whole or in part from Special Tax Prepayments on any Interest Payment Date (see “THE 2026 BONDS – Redemption”), which could occur if an owner of a taxable parcel chooses to prepay all or a portion of its Special Tax. The resulting redemption of 2026 Bonds that were purchased at a price greater than the applicable redemption price could reduce the otherwise expected yield on such 2026 Bonds.

### **Climate Change**

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, wildfires will become more common and intense, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. For example, the Fourth National Climate Assessment, published by the U.S. Global Change Research Program, in November 2018 (NCA4) finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years. Sea level rise may particularly impact coastal areas throughout California. No assurance can be given that climate change in the future that will not impact the District or the extent to which climate change may impact the property in the District.

### **Cybersecurity**

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

the 2026 Bonds. The City is also reliant on other entities and service providers in connection with the administration of the 2026 Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes, the Fiscal Agent, and the dissemination agent. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

## CONTINUING DISCLOSURE

**Issuer Continuing Disclosure.** The City has covenanted for the benefit of the Owners and Beneficial Owners of the 2026 Bonds pursuant to a Continuing Disclosure Agreement, dated the date of issuance of the 2026 Bonds (the “Issuer Continuing Disclosure Agreement”), by and between the District and Webb Municipal Finance, LLC, as Dissemination Agent, to provide certain financial information and operating data relating to the District (the “Annual Report”) no later than March 1 following the end of each fiscal year, commencing with the report for Fiscal Year 2025-26, and to provide notices of the occurrence of certain enumerated events through the EMMA System. The specific nature of the information to be contained in the Annual Report and the enumerated events is set forth in APPENDIX E-1.

The City and its related governmental entities have made other undertakings pursuant to the Rule in connection with prior debt issuances. A review of compliance by the City over the past five years indicates the following:

(A) City of Rialto Community Facilities District No. 2006-1 (Elm Park) (i) failed to timely file under an existing undertaking the City’s ACFR and certain financial information and operating data for Fiscal Year 2019-20 and did not successfully file the City’s ACFR under all CUSIP numbers required, (ii) failed to timely file the City’s ACFR for Fiscal Years 2020-21 through 2023-24, and (iii) failed to timely file the City’s ACFR for Fiscal Year 2019-20 when available after filing the unaudited City ACFR;

(B) City of Rialto Community Facilities District No. 2019-1 (Foothill/Spruce) failed to timely file the City’s ACFR for Fiscal Year 2021-22 through 2023-24; and

(C) City of Rialto Community Facilities District No. 2020-1 (El Rancho Verde) failed timely file the City’s ACFR for Fiscal Year 2022-23 and 2023-24.

Remedial filings have been made and the City and its related governmental entities are in compliance with their previous undertakings. The City believes that its procedures with the Dissemination Agent will be sufficient in the normal due course to assure substantial compliance with the Issuer Continuing Disclosure Agreement with respect to the 2026 Bonds.

**Lennar Homes Continuing Disclosure.** The Underwriter does not consider Lennar Homes to be an “obligated person” with respect to the 2026 Bonds for purposes of the Rule. Notwithstanding the foregoing, to provide updated information with respect to the development within the District, Lennar Homes will execute a continuing disclosure certificate (the “Lennar Homes Continuing Disclosure Certificate”) pursuant to which it will covenant to provide semiannual reports until satisfaction of certain conditions set forth in Lennar Homes Continuing Disclosure Certificate. The semiannual reports to be provided by Lennar Homes will contain updates regarding the development within the District as outlined in Section 4 of Lennar Homes Continuing Disclosure Certificate attached hereto as APPENDIX E-2. In addition to its semiannual reports, Lennar Homes will agree to provide notices of certain events set forth in Lennar Homes Continuing Disclosure Certificate.

Lennar Homes’s obligations under Lennar Homes Continuing Disclosure Certificate will terminate upon the earliest to occur of: (a) the legal defeasance, prior redemption, or payment in full of

all the 2026 Bonds; or (b) at such time as Lennar Homes is no longer a Major Owner, defined as a person that owns, or has under option, [ ] or more taxable residential units in the District.

To the actual knowledge of Lennar Homes, other than as disclosed in this Official Statement, in the last five years, Lennar Homes has not failed to comply in any material respects with its previous continuing disclosure undertakings, specifically regarding its requirement to provide developer periodic reports or to provide notice of occurrence of enumerated events. However, (i) in connection with the \$16,780,000 California Municipal Finance Authority Special Tax Revenue Bonds BOLD Program Series 2020B, Lennar Homes inadvertently failed to file the initial semi-annual report by the due date of May 1, 2021, but filed a curative report on May 21, 2021; and (ii) in connection with the \$5,795,000 City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021B, Lennar Homes inadvertently failed to file the initial annual report by the due date of April 1, 2022, but filed a curative report on September 21, 2022.

## TAX MATTERS

**Federal Tax Status.** In the opinion of Jones Hall LLP, as Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2026 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2026 Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2026 Bonds. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2026 Bonds.

**Tax Treatment of Original Issue Discount and Premium.** If the initial offering price to the public at which a 2026 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2026 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2026 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2026 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2026 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2026 Bonds who purchase the 2026 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2026 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2026 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such 2026 Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2026 Bond (said term being the shorter of the 2026 Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2026 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2026 Bond is amortized each year over the term to maturity of the 2026 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2026 Bond premium is not deductible for federal income tax purposes. Owners of premium 2026 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2026 Bonds.

**California Tax Status.** In the further opinion of Bond Counsel, interest on the 2026 Bonds is exempt from California personal income taxes.

**Other Tax Considerations.** Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2026 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2026 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2026 Bonds, or as to the consequences of owning or receiving interest on the 2026 Bonds, as of any future date. Prospective purchasers of the 2026 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2026 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2026 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2026 Bonds, the ownership, sale or disposition of the 2026 Bonds, or the amount, accrual or receipt of interest on the 2026 Bonds.

## **CONCLUDING INFORMATION**

### **Absence of Material Litigation**

There is no controversy of any nature now pending against and notice of which has been received by the City or, to the best knowledge of their respective officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2026 Bonds or in any way contesting or affecting the validity of the 2026 Bonds or any proceedings of the City taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the 2026 Bonds or the use of the 2026 Bond proceeds. There are no pending lawsuits against and notice of which has been received by the City that challenge the validity of the 2026 Bonds, the corporate existence of the City or the establishment of the District, or the title of the officers thereof to their respective offices.

## **Approval of Legality**

The proceedings in connection with the issuance of the 2026 Bonds are subject to the approval as to their legality by Jones Hall LLP, as Bond Counsel to the City. The legal opinion relates only to the legality of the 2026 Bonds and is not intended to be, nor is it to be interpreted or relied upon, as a disclosure document or an express or implied recommendation as to the investment quality of the 2026 Bonds. A copy of the proposed form of Bond Counsel's final approving opinion with respect to the 2026 Bonds is attached hereto as APPENDIX D. Jones Hall LLP is also serving as Disclosure Counsel to the City. Fees payable to Bond Counsel and Disclosure Counsel are contingent on the successful sale and delivery of the 2026 Bonds.

Certain legal matters will be passed on for the City by Burke Williams & Sorensen LLP, as City Attorney, and for the Underwriter by Kutak Rock LLP, as Underwriter's counsel.

## **No General Obligation of City or District**

The 2026 Bonds are not general obligations of the City, but are limited obligations of the City payable solely from the Special Tax Revenues and certain amounts held under the Fiscal Agent Agreement. Any tax for the payment of the 2026 Bonds shall be limited to the Special Taxes to be collected on taxable property within the District.

## **The Municipal Advisor**

Fieldman, Rolapp & Associates, Inc. ("**Municipal Advisor**") has acted as Municipal Advisor to the City in conjunction with the issuance of the 2026 Bonds. The Municipal Advisor has assisted in matters related to the planning, structuring, execution, and delivery of the 2026 Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the 2026 Bonds. The Municipal Advisor has not audited, authenticated, or otherwise independently verified the information set forth in this Official Statement, or any other related information available, with respect to accuracy and completeness of disclosure of such information. Because of this limited participation, the Municipal Advisor makes no guaranty, warranty, or other representation with respect to the accuracy or completeness of this Official Statement, or any other matter related to this Official Statement.

## **No Ratings on the 2026 Bonds**

The City has not made, and does not contemplate making, any application for a rating on the 2026 Bonds. No such rating should be assumed based upon any other City rating that may be obtained. Prospective purchasers of the 2026 Bonds are required to make independent determinations as to the credit quality of the 2026 Bonds and their appropriateness as an investment. Should a Bondowner elect to sell a 2026 Bond prior to maturity, no representations or assurances can be made that a market will have been established or maintained for the purchase and sale of the 2026 Bonds. The Underwriter assumes no obligation to establish or maintain such a market and is not obligated to repurchase any of the 2026 Bonds at the request of the owner thereof.

## **Underwriting**

The 2026 Bonds are being purchased by Piper Sandler & Co., as underwriter (the "Underwriter"), at a purchase price of \$\_\_\_\_\_ (equal to the par amount of the 2026 Bonds being issued less an Underwriter's discount of \$\_\_\_\_\_ plus/less a net original issue premium/discount of \$\_\_\_\_\_) pursuant to a bond purchase agreement between the City and the Underwriter (the "Purchase Agreement"). The Purchase Agreement provides that the Underwriter will purchase all of the 2026 Bonds if any are purchased, the obligation to make such purchase, if made, being subject to

certain terms and conditions set forth in the Purchase Agreement, the approval of certain legal matters and certain other conditions.

The Underwriter may offer and sell 2026 Bonds to certain dealers and others at a price other than the offering price. The offering price may be changed from time to time by the Underwriter.

**Miscellaneous**

All of the preceding summaries of the Fiscal Agent Agreement, other applicable legislation, agreements and other documents are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the 2026 Bonds.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement has been duly authorized by the City, for and on behalf of the District.

CITY OF RIALTO, for and on behalf of the City of  
Rialto Community Facilities District No. 2024-1  
(Renaissance)

By: \_\_\_\_\_  
Scott Williams  
Finance Director

**APPENDIX A**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

**APPENDIX B**  
**APPRAISAL REPORT**

## APPENDIX C

### THE CITY OF RIALTO AND COUNTY OF SAN BERNARDINO

The District is located in the City of Rialto (the “**City**”), which is located in San Bernardino County (the “**County**”), California (the “**State**”). Certain financial and economic data for the City, County and State are presented in this appendix for information purposes only. The 2026 Bonds are not a debt or obligation of the City, County or State, but are a special limited obligation of the City, secured solely by the Special Tax Revenues and other amounts pledged under the Fiscal Agent Agreement, all as described in more detail in this Official Statement.

#### General

**The City.** The City was incorporated in 1911 and is organized as a general law city and has a Council-Manager form of government. Located in the foothills of the San Bernardino and San Gabriel Mountains in the south-western portion of San Bernardino County, approximately 60 miles east of the City of Los Angeles and just west of the City of San Bernardino, the City covers about 24 square miles and is served by Interstate Freeways 210, 215, 10 and 15.

**The County.** The County is located in Southern California and was established by an act of the State Legislature on May 23, 1853, separating the County from the eastern part of the County of Los Angeles. The County encompasses an area of over 20,000 square miles, making it geographically the largest county in the nation, and includes 24 incorporated communities. It is bordered on the west by Los Angeles County, on the east by the State of Arizona and the State of Nevada, on the north by Inyo and Kern Counties, and on the south by Orange and Riverside Counties. The County is the largest county in the State of California in terms of geographical area.

#### Population

The following table lists population estimates for the City, the County and the State for the last five calendar years, as of January 1, 2025.

#### POPULATION ESTIMATES City of Rialto, County of San Bernardino and State of California Calendar Years 2021-2025

Year <sup>(1)</sup>	City of Rialto	County of San Bernardino	State of California
2021	103,791	2,179,941	39,369,530
2022	103,588	2,183,077	39,179,680
2023	103,281	2,182,351	39,228,444
2024	104,426	2,200,351	39,420,683
2025	105,565	2,207,424	39,529,101

(1) January 1 estimate.

Source: California State Department of Finance, Demographic Research Unit.

## Employment and Industry

The City is located in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (“MSA”), which includes the County. The unemployment rate in the MSA was 5.4% in November 2025, above the year-ago estimate 5.3%. This compares with an unadjusted unemployment rate of 5.4% for the State and 4.3% for the nation during the same period. The unemployment rate was 5.5% in Riverside County, and 5.3% in the County.

The following table summarizes the civilian labor force, employment and unemployment in the MSA for the calendar years 2020 through 2024. These figures are MSA-wide statistics and may not necessarily accurately reflect employment trends in the City.

### RIVERSIDE-SAN BERNARDINO-ONTARIO METROPOLITAN STATISTICAL AREA (Riverside and San Bernardino Counties) Civilian Labor Force, Employment and Unemployment (Annual Averages) March 2024 Benchmark

	2020	2021	2022	2023	2024
Civilian Labor Force <sup>(1)</sup>	2,073,400	2,108,400	2,140,500	2,180,300	2,209,100
Employment	1,868,300	1,951,600	2,049,900	2,078,100	2,093,800
Unemployment	205,100	156,700	90,700	102,300	115,300
Unemployment Rate	9.9%	7.4%	4.2%	4.7%	5.2%
<u>Wage and Salary Employment:</u> <sup>(2)</sup>					
Agriculture	14,100	13,700	13,800	13,200	13,700
Mining and Logging	1,300	1,400	1,500	1,500	1,600
Construction	104,900	110,100	114,700	115,400	116,200
Manufacturing	96,000	96,100	100,000	98,500	95,200
Wholesale Trade	65,600	67,400	69,500	68,900	68,600
Retail Trade	168,800	177,000	181,000	183,000	182,600
Transportation, Warehousing and Utilities	172,500	198,800	214,400	206,000	205,200
Information	12,400	12,500	13,000	13,300	13,000
Finance and Insurance	24,600	24,400	23,800	22,300	21,700
Real Estate and Rental and Leasing	19,500	20,700	22,200	22,700	22,400
Professional and Business Services	152,100	166,600	173,900	164,400	161,800
Educational and Health Services	248,800	254,300	267,900	287,800	306,000
Leisure and Hospitality	141,300	160,200	180,900	187,600	185,300
Other Services	40,200	43,600	47,400	49,400	50,700
Federal Government	22,100	21,100	20,900	21,200	21,500
State Government	31,300	30,400	28,400	28,600	28,000
Local Government	194,600	190,500	200,700	210,400	220,700
Total All Industries <sup>(3)</sup>	1,509,900	1,588,800	1,674,000	1,694,100	1,714,100

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

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

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

## Principal Employers

The following table lists, in alphabetical order, the largest manufacturing and non-manufacturing employers within the County as of January 2026.

### COUNTY OF SAN BERNARDINO Major Employers As of January 2026 (In Alphabetical Order)

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
AFGE	Adelanto	Labor Organizations
Amazon Fulfillment Ctr	San Bernardino	Mail Order Fulfillment Service
Arrowhead Regional Medical Ctr	Colton	Hospitals
Bear Mountain	Big Bear Lake	Skiing Centers & Resorts
Burlington Distribution Ctr	San Bernardino	Distribution Centers (whls)
California State Univ Sn	San Bernardino	Schools-Universities & Colleges Academic
Dignity Health Cmnty Hosp-Sn	San Bernardino	Hospitals
Dignity Health-St Bernardine	San Bernardino	Hospitals
Environmental Systems Research	Redlands	Geographics Information Systems
Fedex Ground	Bloomington	Delivery Service
Inland Empire Health Plan	Rancho Cucamonga	Health Plans
Kindred Hospital Ontario	Ontario	Hospitals
Loma Linda Univ Health Board	Loma Linda	Univ/Cig-Governing Body/Regent/Trustee
Metropolitan Auto Warehouse	San Bernardino	Automobile Parts & Supplies-Mfrs
Mountain High Ski Resort	Wrightwood	Skiing Centers & Resorts
National Training Ctr Fort	Fort Irwin	Business Services NEC
Ontario International Airport	Ontario	Airports
Ontario-Montclair School Dist	Ontario	School Districts
Patton State Hospital	Patton	Hospitals
Primary Care Assoc Med Group	Ontario	Physicians & Surgeons
Radial	Rialto	Mail Order Fulfillment Service
Redlands Community Hospital	Redlands	Hospitals
San Bernardino County Sch Supt	San Bernardino	Schools & Educational Services NEC
Snowline Joint Unified Sch Dst	Phelan	Schools
Transportation Department	San Bernardino	State Government-Regulation & Administration-

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2026 1st Edition.

## Effective Buying Income

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

The following table summarizes the total effective buying income and median household effective buying income for the City, the County, the State and the United States for the last five years.

**CITY OF RIALTO, COUNTY OF SAN BERNARDINO  
STATE OF CALIFORNIA AND THE UNITED STATES  
Effective Buying Income  
2022 through 2026**

<b>Year</b>	<b>Area</b>	<b>Total Effective Buying Income (000's Omitted)</b>	<b>Median Household Effective Buying Income</b>
2022	City of Rialto	\$2,022,507	\$66,310
	County of San Bernardino	54,797,008	66,785
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Rialto	\$2,185,960	\$68,135
	County of San Bernardino	57,619,256	67,680
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Rialto	\$2,370,212	\$73,332
	County of San Bernardino	61,583,897	72,724
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Rialto	\$2,416,848	\$74,290
	County of San Bernardino	61,385,031	72,440
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687
2026	City of Rialto	\$2,863,177	\$83,173
	County of San Bernardino	71,116,395	81,587
	California	1,730,654,738	90,403
	United States	13,932,177,817	75,433

Source: Claritas, LLC.

## Commercial Activity

Summaries of the historic taxable sales within the City and the County during the past five years in which data is available are shown in the following tables.

Total taxable sales during first two quarters of calendar year 2025 in the City were reported to be \$2,703,465,290, a 3.73% increase over the total taxable sales of \$2,606,205,420 reported during the comparable two quarters of calendar year 2024.

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

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	1,428	916,844	2,311	1,972,235
2021	1,327	3,385,628	2,179	4,653,920
2022	1,381	3,569,656	2,245	5,015,008
2023	1,395	3,418,407	2,280	4,981,526
2024	1,470	3,567,637	2,388	5,268,323

*Source: State Department of Tax and Fee Administration.*

Total taxable sales during the first two quarters of calendar year 2025 in the County were reported to be \$29,162,080,403, a 2.18% increase over the total taxable sales of \$28,540,180,861 reported during the first two quarters of calendar year 2023.

**COUNTY OF SAN BERNARDINO**  
**Taxable Retail Sales**  
**Number of Permits and Valuation of Taxable Transactions**  
**(Dollars in Thousands)**

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	44,330	\$28,745,277	71,145	\$43,265,512
2021	40,801	38,345,912	66,585	55,378,097
2022	41,690	40,048,059	68,480	59,992,846
2023	40,632	38,293,705	67,336	57,933,855
2024	41,239	38,460,625	68,447	58,382,923

*Source: State Department of Tax and Fee Administration.*

## Construction Activity

The following tables show a five-year summary of the valuation of building permits issued in the City and the County.

### CITY OF RIALTO Building Permit Valuation (Valuation in Thousands of Dollars)

	2020	2021	2022	2023	2024
<u>Permit Valuation</u>					
New Single-family	\$54.5	\$5,067.3	\$943.1	\$550.0	\$132,123.2
New Multi-family	0.0	0.0	0.0	0.0	1,200.0
Res. Alterations/Additions	<u>267.6</u>	<u>31.6</u>	<u>175.3</u>	<u>98.0</u>	<u>3,110.2</u>
Total Residential	322.10	5,098.9	1,118.4	648.0	136,433.4
New Commercial	0.0	0.0	8,563.1	500.0	20,980.0
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	746.0	105.0	321.0	120.0	4,870.1
Com. Alterations/Additions	<u>7,437.1</u>	0.0	<u>269.3</u>	<u>275.0</u>	<u>9,355.5</u>
Total Nonresidential	\$8,183.1	\$105.0	\$9,153.4	\$895.0	\$35,205.6
<u>New Dwelling Units</u>					
Single Family	1	19	7	6	278
Multiple Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
TOTAL	1	19	7	6	281

Source: Construction Industry Research Board, Building Permit Summary.

### COUNTY OF SAN BERNARDINO Building Permit Valuation (Valuation in Thousands of Dollars)

	2020	2021	2022	2023	2024
<u>Permit Valuation</u>					
New Single-family	\$934,304.4	\$1,086,398.2	\$1,028,474.4	\$970,669.8	\$865,327.5
New Multi-family	143,366.2	310,255.4	345,433.5	241,890.6	288,831.9
Res. Alterations/Additions	<u>61,788.5</u>	<u>88,244.1</u>	<u>89,903.3</u>	<u>91,790.6</u>	<u>\$94,282.6</u>
Total Residential	\$1,139,459.1	\$1,484,897.7	\$1,463,811.2	\$1,304,351.0	1,248,442.0
New Commercial	274,080.5	399,988.1	782,359.6	214,328.0	630,315.3
New Industrial	330,960.1	385,616.5	588,067.9	441,848.8	225,550.0
New Other	123,121.9	91,860.5	436,144.6	503,523.1	290,563.0
Com. Alterations/Additions	<u>336,533.1</u>	<u>288,180.8</u>	<u>277,379.3</u>	<u>243,899.6</u>	<u>335,169.8</u>
Total Nonresidential	\$1,064,695.6	\$1,165,645.9	\$2,083,951.4	\$1,403,599.5	\$1,481,598.1
<u>New Dwelling Units</u>					
Single Family	3,631	4,376	3,701	3,937	2,875
Multiple Family	<u>910</u>	<u>2,636</u>	<u>2,852</u>	<u>2,239</u>	<u>997</u>
TOTAL	4,541	7,012	6,553	6,176	3,872

Source: Construction Industry Research Board, Building Permit Summary.

**APPENDIX D**

**FORM OF BOND COUNSEL’S OPINION**

February \_\_\_\_, 2026

City Council  
City of Rialto  
150 S. Palm Avenue  
Rialto, CA 92376

*OPINION:*        \$\_\_\_\_\_ City of Rialto Community Facilities District No. 2024-1  
(Renaissance) Special Tax Bonds Series 2026

Members of the City Council:

We have acted as bond counsel to the City of Rialto (the “City”) in connection with the issuance by the City of the above-referenced bonds (the “Bonds”), issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, et seq. of the California Government Code (the “Act”) and a Fiscal Agent Agreement dated as of February 1, 2026 (the “Fiscal Agent Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent. We have examined the law and such certified proceedings, opinions and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement, and in the certified proceedings and certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1.        The City is duly created and validly existing as a public body, corporate and politic, with the power to adopt the resolution authorizing the issuance of the Bonds, enter into the Fiscal Agent Agreement and perform the agreements on its part contained therein, and to issue the Bonds.
2.        The Bonds have been duly authorized, executed and delivered by the City and are valid and binding limited obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.
3.        The Fiscal Agent Agreement has been duly entered into by the City and constitutes a valid and binding obligation of the City enforceable upon the City.
4.        Pursuant to the Act, the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above.

Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

## APPENDIX E

### FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS

#### APPENDIX E-1

##### FORM OF ISSUER CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of February 1, 2026, is executed and delivered by the City of Rialto (the “City”), for and on behalf of City of Rialto Community Facilities District No. 2024-1 (Renaissance) (the “CFD”), and Webb Municipal Finance, LLC, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of the \$\_\_\_\_\_ City of Rialto Community Facilities District No. 2024-1 (Renaissance) Special Tax Bonds, Series 2026 (the “2026 Bonds”). The 2026 Bonds are being issued pursuant to provisions of a Fiscal Agent Agreement, dated as of February 1, 2026 (the “Fiscal Agent Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”). The City and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of the holders and beneficial owners of the 2026 Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“CFD” means City of Rialto Community Facilities District No. 2024-1 (Renaissance).

“City” means the City of Rialto, California.

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

“Dissemination Agent” shall mean Webb Municipal Finance LLC, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for Municipal Securities disclosures, maintained on the internet at <http://emma.msrb.org>.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the U.S. Securities and Exchange Commission, filings with the MSRB are to be made through the EMMA website.

“Official Statement” shall mean the final Official Statement relating to the 2026 Bonds.

“Participating Underwriter” shall mean Piper Sandler & Co., the original underwriter of the 2026 Bonds required to comply with the Rule in connection with the offering of the 2026 Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than March 1 of each year, commencing March 1, 2027 with the report for the 2025-26 fiscal year, provide to the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice in a timely manner to the MSRB in such form as prescribed or acceptable to the MSRB.

(d) The Dissemination Agent (if other than the City) shall, if and to the extent, the City has provided an Annual Report in final form to the Dissemination Agent for dissemination, file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided.

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

(a) Audited financial statements of the City prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The balance in the 2026 Reserve Account as of September 30 held under the Fiscal Agent Agreement.

(c) Total assessed valuation (per the San Bernardino County Assessor records) of all parcels currently subject to the Special Tax within the CFD, showing the total assessed valuation for all land and the total assessed valuation for all improvements within the CFD and distinguishing between the assessed value of developed property and undeveloped property.

(d) Identification of each parcel within the CFD for which any Special Tax payment is delinquent, together with the following information respecting each such parcel: (A) the amount delinquent; (B) the date of each delinquency; (C) in the event a foreclosure complaint has been filed respecting such delinquent parcel and such complaint has not yet been dismissed, the date on which the complaint was filed; and (D) in the event a foreclosure sale has occurred respecting such delinquent parcel, a summary of the results of such foreclosure sale.

(e) The principal amount of prepayments of the Special Tax with respect to the CFD for the prior Fiscal Year.

(f) A land ownership summary listing property owners responsible for more than five percent (5%) of the annual Special Tax levy, as shown on the San Bernardino County Assessor's last equalized tax roll prior to the September next preceding the Annual Report date.

Any or all of the items listed above may be included by specific reference to other documents, including the audited financial statements, official statements of debt issues of the City or related public entities, which have been available to the public on the MSRB's internet website or filed with the U.S. Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference in the applicable Annual Report.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2026 Bonds, which notice shall be given in a timely manner, not in excess of ten (10) business days after the occurrence of such Listed Event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;

- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(b) The City shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred, include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) The Dissemination Agent is under no obligation to notify the City or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the City determines that a Notice Event has occurred), instruct the Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Dissemination Agent is to report the occurrence pursuant to subsection (d) of this Section 5, together with a Certification. Such Certification shall identify the Notice Event that has occurred, include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Dissemination Agent to disseminate such information, and identify the date the City desires for the Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(d) If the Dissemination Agent has been instructed by the City as prescribed in subsection (b) or (c) of this Section 5 to report the occurrence of a Notice Event, the Dissemination Agent shall promptly file a notice of such occurrence with MSRB.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all the 2026 Bonds. If such termination occurs prior to the final maturity of the 2026 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 7. Dissemination Agent.

(a) The City hereby appoints and engages Webb Municipal Finance, LLC, as the Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. The City may replace the Dissemination Agent with or without cause. If at the time there is no designated Dissemination Agent appointed by the City, the City shall be the Dissemination Agent and undertake or assume its obligations hereunder. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act. The Dissemination Agent may resign its duties hereunder by giving 30-days written notice to the City.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees agreed to between the Dissemination Agent and the City from time to time and for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The

Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, holders or beneficial owners or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of nationally recognized bond counsel.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the City, provided the Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations), and any provision of this Disclosure Agreement may be waived, provided that in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver.

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

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b). No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City, or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Participating Underwriter or any holder or beneficial owner of the 2026 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City,



IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first written above.

CITY OF RIALTO, for and on behalf of City of Rialto Community Facilities District No. 2024-1 (Renaissance)

By: \_\_\_\_\_  
Name:  
Title:

WEBB MUNICIPAL FINANCE, LLC,  
as Dissemination Agent

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

## APPENDIX E-2

### FORM OF DEVELOPER CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “**Disclosure Certificate**”) is executed and delivered by Lennar Homes of California, LLC, a California limited liability company (the “**Lennar Homes**”), as of February \_\_, 2026, in connection with the issuance of \$\_\_\_\_\_ aggregate principal amount of the City of Rialto Community Facilities District No. 2024-1 (Renaissance) Special Tax Bonds, Series 2026 (the “**2026 Bonds**”). The 2026 Bonds are being issued under the Fiscal Agent Agreement, dated as of February 1, 2026 (the “**Fiscal Agent Agreement**”), by and between the City of Rialto (the “**City**”), for and on behalf of the City of Rialto Community Facilities District No. 2024-1 (Renaissance) (the “**CFD**”), and U.S. Bank Trust Company, National Association, as fiscal agent. Lennar Homes covenants and agrees as follows:

Section 1. Purpose of Disclosure Certificate. This Disclosure Certificate is being executed and delivered by Lennar Homes for the benefit of the Owners and Beneficial Owners.

Section 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“**Affiliate**” of another Person means any other Person directly or indirectly controlling, controlled by, or under common control with, such other Person; for purposes hereof, “**control**”, “**controlling**” and “**controlled**” means the power to direct the management and policies of a Person, directly, or indirectly, whether through the ownership of voting securities, by contract or otherwise. The Land Bank is not an Affiliate of Lennar Homes.

“**Assumption Agreement**” means an undertaking of a Major Owner, or an Affiliate thereof (as applicable), for the benefit of the Owners and Beneficial Owners of the 2026 Bonds to assume the terms and obligations of “Lennar Homes” under this Disclosure Certificate (as modified for such Major Owner’s development and financing plans with respect to the portion of the property in the CFD acquired by such Major Owner and/or its Affiliates), whereby such Major Owner or Affiliate agrees to provide annual reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in the CFD owned by such Major Owner and/or its Affiliates. As set forth in Section 6, the sale of property to a Major Owner shall not require the execution of an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Disclosure Certificate with respect to the 2026 Bonds, and under which the property conveyed to such Major Owner will become subject to future Semi-Annual Reports. In addition, the conveyance of property from the Land Bank to Lennar Homes under the Option Agreement is subject to this Disclosure Certificate and shall not require Lennar Homes to enter into an Assumption Agreement.

“**Beneficial Owner**” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2026 Bonds (including persons holding 2026 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2026 Bonds for federal income tax purposes.

“**CFD**” shall mean City of Rialto Community Facilities District No. 2024-1 (Renaissance).

“**City**” shall mean the City of Rialto.

**“Lennar Homes Representative”** shall mean the Vice President of Lennar Homes overseeing development of the Property, or such other officer or employee as Lennar Homes shall designate in writing to the Dissemination Agent from time to time.

**“Dissemination Agent”** shall mean, initially, Lennar Homes, acting in its capacity as Dissemination Agent hereunder, or any successor dissemination agent designated in writing by Lennar Homes and which has filed with Lennar Homes a written acceptance of such designation.

**“Event of Bankruptcy”** means, with respect to a Person, that such Person files a petition or institutes a proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby such Person asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of such Person’s debts or obligations, or offers to such Person’s creditors to effect a composition or extension of time to pay such Person’s debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of such Person’s debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character is filed or instituted or taken against such Person, or if a receiver of the business or of the property or assets of such Person is appointed by any court, or if such Person makes a general assignment for the benefit of such Person’s creditors.

**“Land Bank”** shall mean AG EHC II (LEN) CA 4, L.P., a Delaware limited partnership, and its successors and assigns.

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

**“Major Owner”** shall mean a Person (including all Affiliates of such Person) that owns, or has under option, [\_\_\_] or more taxable parcels in the CFD (or property that will be subdivided into [\_\_\_] or more taxable parcels). During the term of the Option Agreement, the Land Bank shall not be considered a Major Owner. A foreclosing creditor or bank shall not be considered a Major Owner.

**“MSRB”** shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Marketplace Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

**“Option Agreement”** shall mean the Option Agreement (as amended) by and between Lennar Homes and the Land Bank that provides an option to Lennar Homes to acquire certain parcels of the property in the CFD from the Land Bank pursuant to a takedown schedule.

**“Owner”** shall mean the person in whose name any 2026 Bonds shall be registered.

**“Participating Underwriter”** shall mean Piper Sandler & Co., the original underwriter of the 2026 Bonds.

**“Person”** means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

**“Property”** means, collectively, as of the date of determination, (i) the parcels within the boundaries of the CFD that are owned by Lennar Homes or an Affiliate of Lennar Homes, (ii) during the term of the Option Agreement, the parcels of property in the CFD owned by the Land Bank for which Lennar Homes has the option to purchase under the Option Agreement, and (iii) property conveyed from Lennar Homes to a Major Owner for which an Assumption Agreement was not executed. Property as of any date of determination does not include real property within the boundaries of the CFD that that is exempt from the Special Taxes, is the subject of an Assumption Agreement, or has been conveyed to individual homeowners. **“Report Date”** means March 1 and September 1 of each year, commencing September 1, 2026.

**“Semi-Annual Report”** shall mean any Semi-Annual Report provided by Lennar Homes pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

**“Special Taxes”** shall mean the special taxes to be levied on the Property within the CFD.

### Section 3. Provision of Semi-Annual Reports.

(a) Until its obligations are terminated pursuant to Section 6, Lennar Homes shall, or upon written request shall cause the Dissemination Agent to, not later than the Report Date, provide or cause to provide to the MSRB a Semi-Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate, with a copy to the City and the Participating Underwriter. Not later than fifteen (15) calendar days prior to each Report Date (the **“Notification Date”**), Lennar Homes (if it is not the Dissemination Agent) shall provide the Semi-Annual Report to the Dissemination Agent for filing with the MSRB or notify the Dissemination Agent that Lennar Homes intends to file the Semi-Annual Report directly with the MSRB prior to Report Date. If the Dissemination Agent (if not Lennar Homes) does not receive the Semi-Annual Report or notification that Lennar Homes will file the Semi-Annual Report with MSRB by the Notification Date, the Dissemination Agent will send a notice to Lennar Homes reminding it of the obligation to provide the Semi-Annual Report by the Report Date. When providing the Semi-Annual Report to the Dissemination Agent (if not Lennar Homes) or the MSRB, as the case may be, Lennar Homes shall provide a written notification to the Dissemination Agent, the City and the Participating Underwriter to the effect that such Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by Lennar Homes hereunder. The Dissemination Agent (if not Lennar Homes), the City and the Participating Underwriter may conclusively rely upon such written notification of Lennar Homes, and shall have no duty or obligation to review such Semi-Annual Report. The Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent is unable to verify that a Semi-Annual Report has been provided to the MSRB by the Report Date, the Dissemination Agent shall send a notice to the MSRB in substantially the form prescribed or acceptable to the MSRB.

(c) The Dissemination Agent shall, to the extent information is known to it, file a report with Lennar Homes (if not the Dissemination Agent), the City and the Participating Underwriter certifying that the Semi-Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

Section 4. Content of Semi-Annual Reports. Each Semi-Annual Report shall contain or incorporate by reference the following:

(a) an update on the information contained in the Official Statement under the section of the Official Statement captioned "THE DISTRICT – Lennar Homes." Such updates shall include, but not be limited to, the status of the Option Agreement and the takedown of parcels thereunder.

(b) An update of the number of building permits pulled by Lennar Homes and number of homes conveyed to individual homeowners within the CFD by Lennar Homes.

(c) Any material change in the ownership structure of Lennar Homes and its Affiliates that own Property in the CFD.

(d) The sale of any portion of the Property to another party that is not an individual homeowner and the assumption of any obligation by a Major Owner pursuant to Section 6.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of Lennar Homes or related public entities, that have been submitted to each of the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. Lennar Homes shall clearly identify each such other document so included by reference in the Semi-Annual Report.

Section 5. Reporting of Significant Events.

(a) Until its obligations are terminated pursuant to Section 6, pursuant to the provisions of this Section 5, Lennar Homes shall give, or cause to be given, notice of the occurrence of any of the following events, if material to the ability of Lennar Homes to pay the Special Taxes prior to delinquency:

- (1) failure to pay any real property taxes (including any Special Taxes, assessments, fees or charges) levied within the CFD on the Property prior to such real property taxes becoming delinquent that are not promptly cured upon discovery thereof;
- (2) substantial damage to or destruction of any structures on the Property;
- (3) receipt of a written notice of a monetary default by Lennar Homes or its Affiliates, or the occurrence of a non-monetary event of default that is beyond the applicable cure period, on any loan secured by the Property;
- (4) the termination of the Option Agreement; and
- (5) the occurrence of an Event of Bankruptcy with respect to Lennar Homes, or any Affiliate of Lennar Homes that owns property in the CFD.

(b) Whenever Lennar Homes Representative obtains knowledge of the occurrence of a Listed Event, Lennar Homes Representative shall as soon as possible determine if such event would be material to the ability of Lennar Homes to pay the Special Taxes prior to delinquency.

(c) If Lennar Homes Representative has determined that the occurrence of a Listed Event would be material to the ability of Lennar Homes to pay the Special Taxes on the Property prior to delinquency, Lennar Homes Representative shall, within ten (10) Business Days of obtaining actual knowledge of the occurrence of a Listed Event, or as soon as reasonably practicable thereafter, promptly file a notice with the MSRB (providing a copy to the City, the Participating Underwriter and the Dissemination Agent (if not Lennar Homes)) or direct the Dissemination Agent in writing to file such notice pursuant to subsection (d).

(d) If the Dissemination Agent has been instructed by Lennar Homes Representative to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

Section 6. Duration of Reporting Obligation. All of Lennar Homes's obligations hereunder shall terminate upon the earlier to occur of (i) as to all of the Property, upon the legal defeasance, prior redemption or payment in full of all the 2026 Bonds, (ii) the date Lennar Homes and any Affiliate of Lennar Homes owns or, during the term of the Option Agreement, has under option, less than [ ] taxable parcels in the CFD (or property that will be subdivided into less than [ ] taxable parcels), or (iii) as to all of the Property, the date on which all Special Taxes on the Property are paid or prepaid in full.

Lennar Homes' obligations hereunder shall terminate with respect to any portion of the Property on the date such portion of the Property is sold to a Person that will not be a Major Owner after giving effect to such sale. If any portion of the Property is sold to a Major Owner or if the Option Agreement is terminated and the Land Bank would be a Major Owner, Lennar Homes shall remain obligated hereunder with respect to such Property unless the obligations have been assumed by the Major Owner or the Land Bank (if the Land Bank is then a Major Owner), as applicable, pursuant to an Assumption Agreement. Lennar Homes' obligations under this Disclosure Certificate with respect to a Major Owner or the Land Bank (if the Option Agreement is terminated and the Land Bank is then a Major Owner) that has not executed an Assumption Agreement shall terminate upon the earlier to occur of (i) the date on which Lennar Homes' obligations with respect to such Major Owner or the Land Bank are assumed under an Assumption Agreement entered into pursuant to this Section 6, or (ii) the date on which the Major Owner or the Land Bank is no longer considered a Major Owner. Lennar Homes shall provide a copy of the executed Assumption Agreement to the CFD and the Participating Underwriter promptly upon execution thereof. A Major Owner, however, shall not be required to enter into an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Disclosure Certificate with respect to the Bonds, including an agreement to provide Semi-Annual Reports for the property conveyed to such Major Owner. In addition, the conveyance of property from the Land Bank to Lennar Homes under the Option Agreement is subject to this Disclosure Certificate and shall not require Lennar Homes to enter into an Assumption Agreement.

Section 7. Dissemination Agent. Lennar Homes may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if not Lennar Homes) shall not be responsible in any manner for the content of any notice or report prepared by Lennar Homes pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Lennar Homes. The Dissemination Agent may resign by providing thirty days written notice to Lennar Homes and the City. The Dissemination Agent shall have no duty to prepare any information report nor shall

the Dissemination Agent be responsible for filing any report not provided to it by Lennar Homes in a timely manner and in a form suitable for filing.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, Lennar Homes may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by Lennar Homes) provided, the Dissemination Agent shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (1) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of Lennar Homes with respect to the 2026 Bonds, or the type of business conducted; and
- (2) The amendment or waiver either (i) is approved by the Owners of the 2026 Bonds in the same manner as provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the 2026 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, Lennar Homes shall describe such amendment in the next Semi-Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by Lennar Homes.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent Lennar Homes from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Semi-Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If Lennar Homes chooses to include any information in any Semi-Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, Lennar Homes shall have no obligation under this Disclosure Certificate to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Listed Event.

Section 10. Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Disclosure Certificate shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 11. Default. In the event of a failure of Lennar Homes or the Dissemination Agent to comply with any provision of this Disclosure Certificate, the Dissemination Agent, at the request of the Owners of at least 25% of the aggregate principal amount of the outstanding 2026 Bonds, shall (but only to the extent funds in any amount satisfactory to the Dissemination Agent have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges whatsoever related thereto, including without limitation, fees and expenses of its attorneys), or any Owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause Lennar Homes to comply with its obligations under this Disclosure Certificate. A default under this

Disclosure Certificate shall not be deemed an event of default under the Fiscal Agent Agreement and the sole remedy under this Disclosure Certificate in the event of any failure of Lennar Homes or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Notices. Any notice or other communication to be given pursuant to this Disclosure Certificate (including Semi-Annual Reports and certifications related thereto) may be given by (i) mail, (ii) unsecured email with an imaged or scanned attachment (such as a .pdf), or (iii) fax machine or other similar electronic transmission, with confirmation of receipt of such transmission, to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

To the City: City of Rialto  
150 South Palm Avenue  
Rialto, California 92376  
Attention: City Manager  
Email: abrown@rialto.ca.gov  
Email: kstevens@rialto.ca.gov

To Lennar Homes: Lennar Homes of California, LLC  
980 Montecito Drive, Suite 206  
Corona, CA 92879  
Attention: Geoff Smith  
Email: Geoffrey.smith@lennar.com  
Email: ryan.combe@lennar.com  
Email: carey.adams@lennar.com  
Email: blaine.humbles@lennar.com

To the Participating Underwriter: Piper Sandler & Co.  
3626 Fair Oaks Boulevard, Suite 100  
Sacramento, CA 95864  
Attention: Dennis McGuire  
Email: dennis.mcguire@psc.com

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, Lennar Homes, the Participating Underwriter, Owners, and the Beneficial Owners, from time to time of the 2026 Bonds, and shall create no rights in any other person or entity.

LENNAR HOMES OF CALIFORNIA, LLC,  
a California limited liability company

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**APPENDIX F**

**SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT**

## APPENDIX G

### BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the 2026 Bonds, payment of principal, interest and other payments on the 2026 Bonds (herein, the “Securities”) to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Securities and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the issuer of the Securities (the “Issuer”) nor the fiscal agent appointed with respect to the Securities (the “Agent”) takes any responsibility for the information contained in this Appendix.*

*No assurances can be given that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”) will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

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

has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers

in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer and Agent believe to be reliable, but neither Issuer nor Agent takes no responsibility for the accuracy thereof.