

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 8.2
(ID # 24788)

MEETING DATE:
Tuesday, April 30, 2024

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Issuance of the County of Riverside Community Facilities District No. 05-8 (Scott Road) Special Tax Bonds, Series 2024 (the "Series 2024 Bonds"), All Districts. [\$501,667 - 100% Bond Proceeds] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors as the *ex officio* legislative body of Community Facilities District No. 05-8 (Scott Road) of the County of Riverside:

1. Approve and adopt Resolution No. CFD 2024-02:
 - (a) Authorizing the issuance of Community Facilities District No. 05-8 Series 2024 Special Tax Bonds in an aggregate principal amount not to exceed \$16,000,000;
 - (b) Authorizing the execution and delivery of a Second Supplement to the Indenture, a Bond Purchase Agreement, an Escrow Agreement and a Continuing Disclosure Agreement; and
 - (c) Authorizing the preparation of an Official Statement and all other matters related thereto.

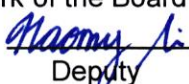
ACTION: Policy, Separate Vote Required


Don Kent, Director of Finance 4/18/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: April 30, 2024
xc: E.O.

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 501,667 (est.)	\$ 0	\$ 501,667 (est.)	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% Bond Proceeds			Budget Adjustment:	No
			For Fiscal Year:	23/24 - 42/43

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the "District") was formed in 2006 and authorized to incur bonded indebtedness and levy special taxes on taxable property within the District. The District previously issued its Special Tax Bonds, Series 2008 (the "2008 Bonds") in an original principal amount of \$11,585,000 to finance public improvements. In 2013, the District issued its Special Tax Bonds, Series 2013 (the "2013 Bonds") in an original principal amount of \$16,875,000 to refinance the 2008 Bonds. In 2018, the District issued its Special Tax Bonds, Series 2018 (the "2018 Bonds") in the original aggregate principal amount of \$5,120,000 to finance additional public improvements. Currently, the 2013 Bonds are outstanding in a par amount of \$15,230,000 and can be optionally redeemed on any date at par. The 2018 Bonds are outstanding in a par amount of \$5,120,000 and can be optionally redeemed on September 1, 2025 at par, plus a redemption premium of 3%.

Due to the current interest rate environment, the 2013 Bonds can be refinanced through the issuance of the 2024 Bonds to produce interest cost savings. The 2024 Bonds would maintain the same final maturity as the 2013 Bonds, September 1, 2042. The debt service on the 2024 Bonds would be secured by Net Special Tax Revenues levied in the District.

If approved, based on current market conditions, staff recommends issuing approximately \$13,835,000 in tax-exempt, fixed rate 2024 Bonds. The anticipated true interest cost of the 2024 Bonds is 4.19% and total cashflow savings are estimated to be approximately \$1.42 million over the remaining nineteen-year life of the 2024 Bonds with net present value savings (NPV) estimated at approximately \$896,685, or, 5.9% of the bonds refunded. This exceeds the Board Policy B-24 requirement of at least 3% net present value savings. The average annual debt service is anticipated to be approximately \$1,230,000. Due to current volatility in the financial markets, rates may be higher at the time of sale.

The issuance cost for the 2024 Bonds is estimated at \$501,667 which includes underwriter's compensation of approximately \$148,763, and bond insurance of approximately \$132,904. Stradling, Yocca Carlson & Rauth will serve as bond counsel, Fieldman, Rolapp & Associates, Inc. as municipal advisor, and Stifel, Nicolaus & Company, Inc. as underwriter. The 2024 Bonds are expected to receive an A rating from Standard & Poor's.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

Debt Advisory Committee

The Debt Advisory Committee, at its April 11, 2024 meeting, reviewed and recommended approval to the Board of Supervisors the proposed sale and issuance of the Series 2024 Bonds.

Impact on Residents and Businesses

The property owners of developed parcels within the boundaries of this district are currently being assessed taxes for this project. After the financing, taxes will be levied on developed and approved properties.

Prior Agenda item: 11/6/18 3.6

ATTACHMENTS:

- (a) Resolution No. 2024-02
- (b) Second Supplement to the Indenture
- (c) Bond Purchase Agreement
- (d) Escrow Agreement
- (e) Continuing Disclosure Agreement
- (f) Preliminary Official Statement


Michael Ambolo, Chief Finance Officer 4/25/2024


Michael C. Thomas 4/24/2024


Aaron Gettis, Chief of Deputy County Counsel 4/24/2024

RESOLUTION NO. CFD 2024-02

A RESOLUTION OF THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE AUTHORIZING THE ISSUANCE OF COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE SPECIAL TAX REFUNDING BONDS, SERIES 2024 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$16,000,000, AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS RELATED THERETO

WHEREAS, the Board of Supervisors (the “Board of Supervisors”) of the County of Riverside (the “County”) has formed Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the “District”) under the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”); and

WHEREAS, pursuant to the Act, the Board of Supervisors is the *ex officio* legislative body (the “Legislative Body”) of the District; and

WHEREAS, the District is authorized under the Act to levy special taxes (the “Special Taxes”) to finance certain public facilities and to issue bonds payable from the Special Taxes; and

WHEREAS, on April 4, 2006, following a noticed public hearing, the Board of Supervisors adopted Resolution No. 2006-092 approving the formation of the District, authorizing the levy of Special Taxes therein and calling a special election; and

WHEREAS, on April 4, 2006, the Legislative Body adopted Resolution No. CFD 2006-02 deeming it necessary to incur bonded indebtedness in an amount of not to exceed \$100,000,000 within the District; and

WHEREAS, on April 18, 2006, a bond proposition was submitted to the qualified electors within the District and was approved by more than two-thirds of the votes cast at the election held within the District on April 18, 2006; and

WHEREAS, based upon the aforesaid resolution and election, the District is now authorized pursuant to the Act to issue bonds in an aggregate principal amount not to exceed \$100,000,000; and

WHEREAS, pursuant to a Bond Indenture dated as of January 1, 2008, the District previously issued its Special Tax Bonds, Series 2008 (the “2008 Bonds”) in the original aggregate principal amount of \$11,585,000, to finance public improvements; and

WHEREAS, pursuant to an Indenture dated as of February 1, 2013 (the “Original Indenture”), the District previously issued its Special Tax Bonds, Series 2013 (the “2013 Bonds”) in the original aggregate principal amount of \$16,875,000 to refund the 2008 Bonds and finance additional public improvements; and

FORM APPROVED COUNTY COUNSEL
BY: MCT 24 APR 24 DATE
MICHAEL C. THOMAS

WHEREAS, pursuant to a First Supplement to Indenture dated as of December 1, 2018 (the “First Supplement”), the District previously issued its Special Tax Bonds, Series 2018 (the “2018 Bonds”) in the original aggregate principal amount of \$5,120,000 to finance additional public improvements; and

WHEREAS, the District desires to refund the 2013 Bonds through the issuance of bonds in an aggregate principal amount not to exceed \$16,000,000, designated as the “Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024” (the “2024 Bonds”) on a parity with the 2018 Bonds; and

WHEREAS, in order to effect the issuance of the 2024 Bonds, the Legislative Body desires to approve the form of a Preliminary Official Statement for the 2024 Bonds and to approve the forms, and authorize the execution and delivery, of a Second Supplement to Indenture (the “Second Supplement,” and together with the First Supplement and the Original Indenture, the “Indenture”), a Continuing Disclosure Agreement, a Bond Purchase Agreement for the 2024 Bonds, and an Escrow Agreement for the defeasance and redemption of the 2013 Bonds; and

WHEREAS, in accordance with Government Code Section 53360.4, the Legislative Body determines that a negotiated sale of the 2024 Bonds to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) in accordance with the terms of the Bond Purchase Agreement for the Bonds to be entered into by the District and the Underwriter (the “Bond Purchase Agreement”) will result in a lower overall cost to the District than a public sale; and

WHEREAS, the Legislative Body determines that it is prudent in the management of its fiscal affairs to issue the 2024 Bonds; and

WHEREAS, the Fiscal Year 2023-24 assessed value determined by the Riverside County Assessor’s Office of the real property that is subject to the Special Taxes to pay debt service on the 2024 Bonds is \$918,249,434, which is not less than three times the sum of the maximum principal amount of the outstanding 2018 Bonds (\$5,120,000) plus the maximum principal amount of the outstanding 2024 Bonds (\$16,000,000) plus the principal amount of all other bonds outstanding that are secured by Special Taxes levied pursuant to the Act on property within the District or a special assessment levied on property within the District (\$31,057,028), the sum of those three numbers being \$52,177,028; and

WHEREAS, pursuant to the requirements of Section 5852.1 of the California Government Code (the “Code”), set forth below are good faith estimates provided to the District by Fieldman, Rolapp & Associates, Inc., the District’s municipal advisor, based on market conditions as of April 10, 2024. The following estimates have no bearing on, and should not be misconstrued as, any not to exceed financial parameters authorized by this resolution.

(a) The true interest cost of the 2024 Bonds is estimated at 4.19% calculated as provided in Section 5852.1(a)(1)(A) of the Code.

(b) The finance charge of the 2024 Bonds, including all fees and charges paid to third parties, is estimated at \$502,032.

(c) Proceeds of the 2024 Bonds received by the District for the sale of the 2024 Bonds are equal to \$12,925,728.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$22,363,869.

The foregoing estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

WHEREAS, there have been prepared and submitted to the Legislative Body at this meeting forms of:

- (a) the Second Supplement;
- (b) the Preliminary Official Statement;
- (c) the Continuing Disclosure Agreement;
- (d) the Bond Purchase Agreement;
- (e) the Escrow Agreement; and

WHEREAS, the District desires to authorize the issuance of the 2024 Bonds and the execution of such documents and the performance of such acts as may be necessary or desirable to effect the issuance of the 2024 Bonds;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE ACTING *EX OFFICIO* AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 05-8 OF THE COUNTY OF RIVERSIDE, in regular session assembled on April 30, 2024, does hereby resolve, find, determine and order as follows:

Section 1. Each of the above recitals is true and correct, as is each of the findings and determinations set forth therein, and each of said recitals, findings and determinations is adopted by the Legislative Body.

Section 2. The issuance of the 2024 Bonds in a principal amount not to exceed \$16,000,000 is hereby authorized; and the exact principal amount to be issued shall be determined by the officer signing the Bond Purchase Agreement in accordance with Section 5 below. The 2024 Bonds shall mature on the dates and bear interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the District in accordance with Section 5 hereof. The 2024 Bonds shall be governed by the terms and conditions of the Original Indenture, as supplemented by the First Supplement, and as further supplemented by the Second Supplement between the District and U.S. Bank Trust Company, National Association, as Trustee, in substantially the form presented at this meeting. The Second Supplement shall be executed by one or more of the Chairperson or Clerk of the Legislative Body, or the Executive Officer, Director of Finance, or such other officers of the County as the County Executive Officer may designate (collectively, the "Authorized Officers") substantially in the form presented at this meeting, with such additions thereto and changes therein as the officer or officers executing the same deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Indenture.

Section 3. The 2024 Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Chairperson of the Legislative Body, and attested with the manual or

facsimile signature of the Clerk of the Legislative Body. U.S. Bank Trust Company, National Association is hereby appointed to act as Trustee for the 2024 Bonds.

Section 4. The form of the Bond Purchase Agreement presented to the Legislative Body at this meeting and the sale of the 2024 Bonds pursuant thereto are hereby approved, provided that (i) the Underwriter's discount (exclusive of original issue discount) does not exceed 5.00% of the principal amount of the 2024 Bonds and (ii) the net present value savings resulting from the refunding of the 2013 Bonds is not less than three percent (3.00%) of the principal amount of the 2024 Bonds, as determined by the Executive Officer or Director of Finance of the County, or their authorized designees. Any one of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement, with such additions thereto and changes therein as the officer executing it may approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement and the determination of the Executive Officer or Director of Finance regarding the requisite net present value savings described in the preceding sentence. Each of the Authorized Officers is authorized to determine the day on which the 2024 Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the District and may reject any terms presented by the Underwriter if determined not to be in the best interest of the District.

Section 5. The proposed form of the Continuing Disclosure Agreement, by and between the District and U.S. Bank Trust Company, National Association, as Trustee and as Dissemination Agent (the "Dissemination Agent"), presented to the Legislative Body at this meeting, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes therein as County Counsel and Bond Counsel may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Authorized Officer executing the same.


Section 6. The proposed form of the Escrow Agreement, by and between the District and U.S. Bank Trust Company, National Association, as Escrow Bank (the "Escrow Bank"), presented to the Legislative Body at this meeting, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Escrow Agreement in substantially said form, with such changes therein as County Counsel and Bond Counsel may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Escrow Agreement by the Authorized Officer executing the same.

Section 7. The form of the Preliminary Official Statement presented at this meeting is hereby approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the 2024 Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary or desirable by any Authorized Officer, each acting alone, to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, including, but not limited to, such additions and changes as are necessary to make all information set forth therein accurate and not misleading or are otherwise desirable. Each of the Authorized Officers is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the County Executive Officer or the Director of Finance, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the 2024 Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of the District as described above.

Section 8. Stradling Yocca Carlson & Rauth LLP (“Stradling”) shall act as Bond Counsel and Disclosure Counsel with respect to the issuance of the 2024 Bonds. Fieldman, Rolapp & Associates, Inc. (“Fieldman”) shall act as municipal advisor with respect to the issuance of the 2024 Bonds. Webb Municipal Finance (“Webb”) shall act as special tax consultant with respect to the issuance of the 2024 Bonds. Robert Thomas CPA, LLC (“Robert Thomas”) shall act as verification agent with respect to the defeasance and refunding of the 2013 Bonds. Each of the Authorized Officers is authorized to execute an agreement with each of Stradling, Fieldman, Webb and Robert Thomas to act in their respective capacities with respect to the issuance of the 2024 Bonds, if an agreement is required, and to pay for the cost of such services, together with other Costs of Issuance (as defined in the Indenture), with 2024 Bond proceeds.

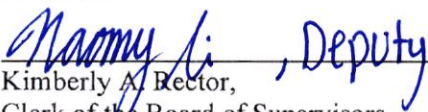
Section 9. The Authorized Officers and all officers and staff of the County and the District who are responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and to execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the 2024 Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the 2024 Bonds as described in the Indenture, including, but not limited to, providing certificates as to the accuracy of any information relating to the District which is included in the Official Statement and such other certificates as described in the Indenture or Bond Purchase Agreement. In the event that the Chairperson of the Legislative Body is unavailable to sign any document authorized for execution herein, any other member of the Legislative Body, or his designee, may sign such document. Any document authorized herein to be signed by the Clerk of the Legislative Body may be signed by a duly-appointed deputy clerk.

ADOPTED, SIGNED AND APPROVED this 30th day of April, 2024, by the Board of Supervisors of the County of Riverside, acting *ex officio* as the Legislative Body of Community Facilities District No. 05-8 of the County of Riverside.



Chuck Washington, Chairperson of the Board of Supervisors, acting *ex officio* as the Chairman of the Legislative Body

ATTEST:



Naomy Li, Deputy
Kimberly A. Rector,
Clerk of the Board of Supervisors

3 RESOLUTION NO. CFD 2024-02

4 A RESOLUTION OF THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT

5 NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE AUTHORIZING THE

6 ISSUANCE OF COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE

7 COUNTY OF RIVERSIDE SPECIAL TAX REFUNDING BONDS, SERIES 2024 IN THE

8 AGGREGATE PRINCIPAL AMOUNTY OF NOT TO EXCEED \$16,000,000, AUTHORIZING

9 THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND TAKING CERTAIN

10 OTHER ACTIONS RELATED THERETO

11
12 ROLL CALL:

13
14 Ayes: Jeffries, Washington, Spiegel, Perez, and Gutierrez

15 Nays: None

16 Absent: None

17
18
19 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of
20 Supervisors on the date therein set forth.

21
22 KIMBERLY A. RECTOR, Clerk of said Board

23
24 By:  _____

25 Deputy

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Kimberly A. Rector, Clerk of the Board of Supervisors of the County of Riverside, California, acting *ex officio* as the Clerk of the Legislative Body for Community Facilities Districts for the County of Riverside, do hereby certify that the foregoing Resolution No. CFD 2024-02 was duly adopted by the Board of Supervisors of said County, acting *ex officio* as the Legislative Body of Community Facilities District No. 05-8 of the County of Riverside, at a meeting of said Board held on the 30th day of April 2024, and that it was so adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Clerk of the Board of Supervisors
of the County of Riverside, *ex officio* the
Clerk of the Legislative Body

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Kimberly A. Rector, Clerk of the Board of Supervisors of the County of Riverside, California, acting *ex officio* as the Clerk of the Legislative Body for Community Facilities Districts for the County of Riverside, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. CFD 2024-02 of the Board of Supervisors of said County, acting *ex officio* as the legislative body of Community Facilities District No. 05-8 of the County of Riverside, and that the same has not been amended or repealed.

Dated: _____, 2024

Clerk of the Board of Supervisors
of the County of Riverside, *ex officio* the
Clerk of the Legislative Body

SECOND SUPPLEMENT TO INDENTURE

Between

**COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE**

And

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Trustee**

**COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
SPECIAL TAX REFUNDING BONDS, SERIES 2024**

Dated as of _____ 1, 2024

SECOND SUPPLEMENT TO INDENTURE

THIS SECOND SUPPLEMENT TO INDENTURE dated as of _____ 1, 2024 (the “Second Supplement”), governs the terms of the Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024, which are being issued as Additional Bonds in accordance with the Indenture, dated as of February 1, 2013 (the “2013 Indenture”), by and between the Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the “District”) and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as Trustee (the “Trustee”), as supplemented by the First Supplement to Indenture, by and between the District and the Trustee, dated as of December 1, 2018 (the “First Supplement,” and, together with the 2013 Indenture, the “Original Indenture”). The Original Indenture and this Second Supplement are hereinafter collectively referred to as the “Indenture.”

RECITALS:

WHEREAS, the Board of Supervisors of the County of Riverside (hereinafter sometimes referred to as the “Legislative Body”), has heretofore undertaken proceedings and declared the necessity to issue bonds of the District pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the “Act”); and

WHEREAS, based upon Resolution Nos. 2006-092 and CFD 2006-02 adopted by the Legislative Body of the District on April 4, 2006 and an election held on April 18, 2006 authorizing the levy of a special tax and the issuance of bonds by the District, the District is now authorized to issue bonds in an aggregate principal amount not to exceed \$100,000,000; and

WHEREAS, pursuant to the Original Indenture, the District previously issued its Special Tax Bonds, Series 2013 (the “2013 Bonds”) in the aggregate principal amount of \$16,875,000 to finance public improvements and refund the District’s Special Tax Bonds, Series 2008 (the “2008 Bonds”); and

WHEREAS, Sections 3.05, 3.06 and 3.07 of the Original Indenture permit the District to issue Additional Bonds (within the meaning of the Original Indenture) payable from Net Special Tax Revenues on a parity with the 2013 Bonds, subject to satisfaction of the conditions set forth in Section 3.05 of the Original Indenture and compliance with the procedures and requirements set forth in Section 3.06 of the Original Indenture; and

WHEREAS, the District previously issued as Additional Bonds its Special Tax Bonds, Series 2018 (the “2018 Bonds”) in the aggregate principal amount of \$5,120,000 to finance additional public improvements; and

WHEREAS, Section 9.01(b) of the Original Indenture permits the amendment of the Original Indenture to provide for the issuance of Additional Bonds; and

WHEREAS, the Legislative Body intends to refund the outstanding 2013 Bonds through the issuance of bonds in an aggregate principal amount of \$_____ designated as the “Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024” (the “2024 Bonds”); and

WHEREAS, the 2024 Bonds will be issued by the District and secured by a lien on and a security interest in all of the Net Special Tax Revenues in accordance with the provisions of the Act, and the Original Indenture; and

WHEREAS, the District has determined all requirements of the Act for the issuance of the 2024 Bonds as Additional Bonds under the terms of the Original Indenture have been satisfied; and

WHEREAS, in order to provide for the authentication and delivery of the 2024 Bonds, to establish and declare the terms and conditions upon which the 2024 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the District and the Trustee have duly authorized the execution and delivery of this Second Supplement; and

WHEREAS, the District has determined that all acts and proceedings required by law necessary to make the 2024 Bonds when executed by the District, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the District, and to constitute this Second Supplement a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the 2024 Bonds are to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the 2024 Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Owners of the 2018 Bonds, the 2024 Bonds and any Additional Bonds which may be issued hereunder from time to time, as follows:

ARTICLE XVII

DEFINITIONS

Section 17.1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Original Indenture. The following definitions set forth in Section 1.01 of the Original Indenture are revised to mean the following with respect to the 2024 Bonds:

“Authorized Denominations” means \$5,000 and integral multiples of \$5,000 in excess thereof.

“Closing Date” means the date upon which the 2024 Bonds are delivered to the Original Purchaser, being _____, 2024.

“Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement dated as of _____ 1, 2024, executed and delivered by the District together with any amendments thereto.

“Escrow Agreement” means that certain Escrow Agreement, by and between the District and the Escrow Bank, dated as of _____ 1, 2024, together with any amendments thereto.

“Escrow Bank” means U.S. Bank Trust Company, National Association, and any successors thereto.

“Interest Payment Date” means each March 1 and September 1, commencing September 1, 2024.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated with respect to the 2024 Bonds.

“Rebate Fund” means the “2024 Bonds Rebate Fund” established pursuant to Section 16.1 hereof.

“Tax Certificate” means the Tax Certificate executed by the District in connection with the issuance of the 2024 Bonds.

“Term Bonds” means the 2024 Bonds maturing on September 1, 20__.

ARTICLE XVIII

GENERAL AUTHORIZATION AND BOND TERMS

Section 18.1. Amount, Issuance, Purpose and Nature of 2024 Bonds. Under and pursuant to the Second Supplement, the 2024 Bonds in the aggregate principal amount of \$_____ shall be issued as Additional Bonds governed by the terms of the Indenture, for the purpose of financing additional public facilities within the District, funding a deposit to the Reserve Fund and paying the costs of administration and issuance of the 2024 Bonds.

Section 18.2. Description of Bonds; Interest Rates. The 2024 Bonds shall be issued in fully registered form without coupons in Authorized Denominations of \$5,000 or any integral multiple thereof within a single maturity. The 2024 Bonds shall be numbered as determined by the Trustee.

The 2024 Bonds shall be designated “COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE SPECIAL TAX REFUNDING BONDS, SERIES 2024.” The 2024 Bonds shall be dated as of their Closing Date and shall mature and be payable on September 1 in the years and in the aggregate principal amounts and shall be subject to and shall bear interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months) set forth in the table below payable on September 1, 2024 and each Interest Payment Date thereafter:

*Maturity Date
(September 1)*

Principal Amount

Interest Rate

[†] Term Bond.

Principal and interest on the 2024 Bonds shall be paid in the same manner as provided in Section 2.02, subdivisions (c) and (d) of the Original Indenture for payment of principal and interest on the 2013 Bonds.

Section 18.3. Form of 2024 Bonds; Execution and Authentication. The 2024 Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which forms are hereby approved and adopted as the forms of such 2024 Bonds and of the certificate of authentication. Notwithstanding any provision in the Indenture to the contrary, the District may, in its sole discretion, elect to issue the 2024 Bonds in book entry form.

Only the 2024 Bonds bearing thereon such certificate of authentication in the form set forth in Exhibit A attached hereto shall be entitled to any right or benefit under the Indenture, and no 2024 Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 18.4. Conditions to Issuance of 2024 Bonds. The 2024 Bonds shall not be issued unless and until the conditions for the issuance of the 2024 Bonds as Additional Bonds pursuant to Section 3.05 of the Original Indenture shall have been satisfied.

Additionally, Section 3.05(c)(ii) of the Original Indenture is hereby amended and restated in its entirety as follows:

(ii) the sum of (A) the Assessed Value of parcels of Taxable Property for which a Qualified Appraisal Report has not been provided, plus (B) the Appraised Value of parcels of Taxable Property for which a Qualified Appraisal Report has been provided, as such Appraised Value is shown in such Qualified Appraisal Report, is at least [seven (7)] times the sum of (I) the aggregate principal amount of all Bonds that will be Outstanding after the issuance of such Additional Bonds, plus (II) the aggregate principal amount of all fixed lien special assessments levied on parcels of Taxable Property, based upon information from the most recent Fiscal Year for which such information is available, plus (III) the sum of a portion of the aggregate principal amount of Other CFD Bonds, which portion shall be equal to the aggregate principal amount of such Other CFD Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for such Other CFD Bonds on parcels of Taxable Property, and the denominator of which is the total amount of special taxes levied for such Other CFD Bonds on all parcels of land (such fraction to be determined based upon the maximum special taxes that could be levied in the year in which maximum annual debt service on such Other CFD Bonds occurs), based upon information from the most recent Fiscal Year for which such information is available.

ARTICLE XIX

APPLICATION OF PROCEEDS OF 2024 BONDS

Section 19.1. Issuance of 2024 Bonds. The District may, at any time, execute the 2024 Bonds and deliver the same to the Trustee. The Trustee shall, on the Closing Date, authenticate the 2024 Bonds and deliver the 2024 Bonds to the Original Purchaser upon receipt of a Written Request of the Community Facilities District and upon receipt of the purchase price therefor.

Section 19.2. Creation of Funds and Application of Proceeds of Sale of 2024 Bonds.

The net proceeds of the sale of the 2024 Bonds shall be received by the Trustee on behalf of the District and deposited and transferred as follows:

(i) \$ _____ shall be transferred to the Costs of Issuance Fund to pay the Costs of Issuance of the 2024 Bonds;

(ii) \$ _____ shall be transferred to the Reserve Fund to fund the portion of the Reserve Requirement attributable to the 2024 Bonds; and

(iii) \$ _____ shall be transferred to the Escrow Bank, to be applied to the redemption of the 2013 Bonds in accordance with the provisions of the Escrow Agreement.

The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

ARTICLE XX

REDEMPTION OF 2024 BONDS

Section 20.1. Redemption of 2024 Bonds.

(a) Optional Redemption. The 2024 Bonds may be redeemed, at the option of the District, from any source of funds, other than prepayments of Special Taxes, on any date on or after September 1, 20__, in whole, or in part (in such amounts and maturities as may be designated by the District, with the particular 2024 Bonds of such maturities to be selected by the Trustee by lot), at the following redemption prices expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

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

In the event the District elects to redeem 2024 Bonds as provided above, the District shall give written notice to the Trustee of its election to so redeem, the redemption date and the maturity dates of the 2024 Bonds to be redeemed. The notice to the Trustee shall be given at least 45 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

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

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

2024 BONDS MATURING SEPTEMBER 1, 20__

Redemption Dates
(September 1)

Principal Amount

\$

(maturity)

If the District purchases Term Bonds and delivers them to the Trustee at least 45 days prior to an applicable redemption date, the principal amount of the Term Bonds so purchased shall be credited to reduce the sinking fund payment due on such redemption date for the applicable maturity of the Term Bonds. All Term Bonds purchased by the District and delivered to the Trustee pursuant to this subsection shall be cancelled pursuant to Section 10.01 of the Original Indenture.

In the event of a partial optional redemption or special mandatory redemption of Term Bonds, each of the remaining sinking fund payments for such Term Bonds, as described above, will be reduced, as nearly as practicable, on a pro rata basis.

(c) Special Mandatory Redemption from Prepayments. The 2024 Bonds are subject to redemption as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date on and after September 1, 2024 from the proceeds of the prepayment of the Special Taxes deposited in the Redemption Fund pursuant to the Indenture and amounts transferred from the Reserve Fund in connection with such prepayment. Such extraordinary mandatory redemption of the 2024 Bonds shall be at the following redemption prices (expressed as percentages of the principal amount of the 2024 Bonds to be redeemed), together with accrued interest thereon to the date of redemption:

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

ARTICLE XXI

COVENANTS RELATING TO 2024 BONDS

Section 21.1. Rebate Fund. The Trustee shall establish a separate fund for the 2024 Bonds designated the “2024 Bonds Rebate Fund” (referred to herein as the “Rebate Fund”). Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the 2024 Bonds will not be adversely affected, the District shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in

trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section and the Tax Certificate, unless the District obtains and delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on the 2024 Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee shall be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if the Trustee follows the directions of the District, and the Trustee shall have no independent responsibility to or liability resulting from failure of the Trustee to enforce compliance by the District with the Tax Certificate or the provisions of this Section.

(a) Rebate Earnings.

(i) Computation. Within 55 days of the end of each fifth Bond Year with respect to the 2024 Bonds, the District shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g. the temporary investments exception of Section 148(f)(4)(B) and the construction expenditure exception of Section 148(f)(4)(C) of the Code), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the “Rebatable Arbitrage”). The District shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Transfer. Within 55 days of the end of each fifth Bond Year with respect to the 2024 Bonds, upon the written direction of the County Executive Officer or Director of Finance, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this Section 21.1(a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the County Executive Officer, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Debt Service Fund.

(iii) Payment to the Treasury. The District shall direct the Trustee in writing to pay to the United States Treasury, out of amounts in the Rebate Fund.

(X) Not later than 60 days after the end of (A) the fifth Bond Year with respect to the 2024 Bonds, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(Y) Not later than 60 days after the payment of all the 2024 Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and

accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Section 21.1(a)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the District, or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after payment of the 2024 Bonds and the payments described in Section 21.1(a)(iii), shall be transferred by the Trustee to the District at the written direction of the District and utilized in any manner by the District.

(c) Survival of Defeasance. Notwithstanding anything in this Section 21.1 or the Original Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the 2024 Bonds.

(d) Trustee Responsible. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of the District. The Trustee shall have no responsibility to make any calculations of rebate or to independently review or verify such calculations.

Section 21.2. Tax Covenants. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the 2024 Bonds will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the 2024 Bonds or of any other monies or property which would cause the 2024 Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) Arbitrage. The District will make no use of the proceeds of the 2024 Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the 2024 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) Federal Guaranty. The District will make no use of the proceeds of the 2024 Bonds or take or omit to take any action that would cause the 2024 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

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

(e) Hedge Bonds. The District will make no use of the proceeds of the 2024 Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause either any 2024 Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure

compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the 2024 Bonds for federal income tax purposes; and

(f) Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in that certain Tax Certificate executed by the District in connection with each issuance of 2024 Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

Section 21.3. Continuing Disclosure. Each of the District and the Trustee shall comply with and carry out all of the provisions of the Continuing Disclosure Agreement applicable to it. Notwithstanding any other provision of this Indenture, failure of the District or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, that the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding 2024 Bonds, and upon receipt of indemnification reasonably satisfactory to the Trustee, shall) or any Owner or Beneficial Owner of the 2024 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

ARTICLE XXII

MISCELLANEOUS

Section 22.1. Reserve Requirement. Notwithstanding anything to the contrary in the Indenture, with respect to the 2024 Bonds, subsection (c) of the definition of “Reserve Requirement” shall be calculated as of the Closing Date.

Section 22.2. Provisions of Indenture in Effect. Except as expressly modified herein, all of the provisions of the Original Indenture shall remain in full force and effect.

Section 22.3. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Second Supplement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Second Supplement. The District hereby declares that it would have entered into this Second Supplement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the 2024 Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Second Supplement may be held illegal, invalid or unenforceable.

Section 22.4. Execution in Counterparts. This Second Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 22.5. Governing Law. This Second Supplement shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in such state.

IN WITNESS WHEREOF, the District and the Trustee have executed this Second Supplement, effective the date first written above.

COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD) OF THE COUNTY OF
RIVERSIDE

By: _____
Its: Chairperson of the Board of Supervisors of the
County of Riverside, acting as the legislative
body of Community Facilities District No. 05-8
(Scott Road) of the County of Riverside

ATTEST:

Clerk of the Board of Supervisors of the
County of Riverside, acting as the legislative
body of Community Facilities District
No. 05-8 (Scott Road) of the County of
Riverside

The terms of this Second Supplement relating to the Trustee are accepted by U.S. Bank Trust Company, National Association, as Trustee.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Its: Authorized Officer

EXHIBIT A

FORM OF SPECIAL TAX REFUNDING BOND, SERIES 2024

R-_____ \$_____

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE IDENTIFIED HEREIN) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE**

**COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
SPECIAL TAX REFUNDING BONDS, SERIES 2024**

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
_____ % September 1, 20____, 2024 _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____
AND NO/100 DOLLARS

COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE (the "District"), situated in the County of Riverside, State of California, FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Indenture (as hereinafter defined), to the Registered Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such Principal Amount from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof, unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date (as hereinafter defined), in which event interest thereon shall be payable from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Dated Date set forth above, or (iii) interest on any Bond is

in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest will be paid semiannually on March 1 and September 1 (each an “Interest Payment Date”), commencing September 1, 2024, at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment.

The principal of and premium, if any, on this Bond are payable to the Registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Office of the Trustee (as such term is defined in the Indenture), initially U.S. Bank Trust Company, National Association, (the “Trustee”). Interest on this Bond shall be paid by check of the Trustee mailed, by first class mail, postage prepaid, or in certain circumstances described in the Indenture by wire transfer to an account within the United States of America, to the Registered Owner hereof as of the close of business on the fifteenth day of the month preceding the month in which the Interest Payment Date occurs (the “Record Date”) at such Registered Owner’s address as it appears on the registration books maintained by the Trustee.

This Bond is one of a duly authorized issue of “Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024” (the “Bonds”) issued in the aggregate principal amount of \$ _____ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311, et seq., of the California Government Code (the “Act”) for the purpose of refunding certain previously issued obligations of the District. The issuance of the Bonds and the terms and conditions thereof are provided for by Resolution No. CFD 2024-___, adopted by the Board of Directors of the County of Riverside, acting in its capacity as the legislative body of the District (the “Legislative Body”) on April 30, 2024 (the “Resolution of Issuance”), and an Indenture dated as of February 1, 2013 (the “Original Indenture”), as supplemented by the First Supplement to Indenture dated as of December 1, 2018 (the “First Supplement”), and further supplemented by the Second Supplement to Indenture dated as of _____ 1, 2024 (the “Second Supplement” and together with the Original Indenture and the First Supplement, the “Indenture”), each by and between the District and Trustee, executed in connection therewith, and this reference incorporates the Indenture herein; and by acceptance hereof the Registered Owner of this Bond assents to said terms and conditions. The Resolution and the Indenture are adopted under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of, premium, if any, and interest on this Bond are payable on a parity with the District’s Special Tax Bonds, Series 2018, solely from the portion of the annual special taxes authorized under the Act to be levied and collected within the District (the “Net Special Tax Revenues”) and certain other amounts pledged to the repayment of the Bonds as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Net Special Tax Revenues pledged and collected or foreclosure proceeds received following a default in payment of the Net Special Tax Revenues and other amounts deposited to the Special Tax Fund established under the Indenture, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The District has covenanted for the benefit of the owners of the Bonds that under certain circumstances described in the Indenture it will commence and diligently pursue to completion appropriate foreclosure proceedings in the event of delinquencies of installments of Net Special Tax Revenues levied for payment of principal and interest on the Bonds.

The Bonds may be redeemed, at the option of the District, from any source of funds, other than prepayments of Special Taxes, on any date on or after September 1, 20__ in whole or in part (in such amounts and maturities as may be designated by the District, with the particular Bonds of such maturities to be selected by the Trustee by lot), at the following redemption prices expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

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

The Term Bonds maturing on September 1, 20__ shall be called before maturity and redeemed from the sinking fund payments that have been deposited into the Principal Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of sinking fund payments set forth in the Second Supplement. The Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

The Bonds are subject to redemption as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date on and after September 1, 2024 from the proceeds of the prepayment of the Net Special Tax Revenues deposited in the Redemption Fund pursuant to the Indenture and amounts transferred from the Reserve Fund in connection with such prepayment. Such extraordinary mandatory redemption of the Bonds shall be at the following redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), together with accrued interest thereon to the date of redemption:

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

Notice of redemption with respect to the Bonds to be redeemed shall be mailed to the registered owners thereof not less than 30 nor more than 60 days prior to the redemption date by first class mail to the addresses set forth in the registration books. Neither a failure of the Registered Owner hereof to receive such notice nor any defect therein will affect the validity of the proceedings for redemption. All Bonds or portions thereof so called for redemption will cease to accrue interest on the specified redemption date; provided that funds for the redemption are on deposit with the Trustee on the redemption date. Thereafter, the registered owners of such Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Bonds.

This Bond shall be registered in the name of the Registered Owner hereof, as to both principal and interest, and the District and the Trustee may treat the Registered Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof and may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor.

The Trustee shall not be required to register transfers or make exchanges of (i) any Bonds during the period established by the Trustee for the selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

The rights and obligations of the District and of the registered owners of the Bonds may be amended at any time, and in certain cases without notice to or the consent of the registered owners, to the extent and upon the terms provided in the Indenture.

THE BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE COUNTY OF RIVERSIDE OR OF THE DISTRICT FOR WHICH THE COUNTY OF RIVERSIDE OR THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAX REVENUES, OTHER THAN THE NET SPECIAL TAX REVENUES REFERENCED HEREIN. THE BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE FROM THE PORTION OF THE NET SPECIAL TAX REVENUES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, Community Facilities District No. 05-8 (Scott Road) of the County of Riverside has caused this Bond to be dated as of _____, 2024, to be signed on behalf of the District by the Chairperson of the Board of Supervisors of the County of Riverside by his facsimile signature and attested by the facsimile signature of the Clerk of the Board of Directors hereon.

Chairperson of the Board of Supervisors of the County of Riverside, acting as the legislative body of Community Facilities District No. 05-8 (Scott Road) of the County of Riverside

ATTEST:

Clerk of the Board of Supervisors of the County of Riverside, acting as the legislative body of Community Facilities District No. 05-8 (Scott Road) of the County of Riverside

**[FORM OF TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]**

This is one of the Bonds described in the within-defined Indenture.

Dated: _____, 2024

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Its: Authorized Officer

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Clerk of the Board of Supervisors of the County of
Riverside, acting in its capacity as the legislative body
of Community Facilities District No. 05-8 (Scott
Road) of the County of Riverside

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto

whose tax identification number is _____,
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)

attorney to transfer the same on the books of the Trustee with full power of substitution in the
premises.

Dated: _____

Signature guaranteed:

NOTE: Signature(s) must be guaranteed by
an eligible guarantor institution.

NOTE: The signatures(s) on this Assignment
must correspond with the name(s) as written on
the face of the within Bond in every particular
without alteration or enlargement or any change
whatsoever.

§[PAR]
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
SPECIAL TAX REFUNDING BONDS, SERIES 2024

BOND PURCHASE AGREEMENT

[Pricing Date]

Community Facilities District
No. 05-8 (Scotts Road) of the
County of Riverside
4080 Lemon Street, 4th Floor
Riverside, California 92501

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, as underwriter (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with Community Facilities District No. 05-8 (Scotts Road) of the County of Riverside (the “Community Facilities District”), which upon acceptance will be binding upon the Underwriter and the Community Facilities District. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Community Facilities District satisfying all the obligations imposed upon it under this Purchase Agreement. This offer is made subject to the Community Facilities District’s acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 11:59 p.m., local time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Community Facilities District at any time prior to the acceptance hereof by the Community Facilities District. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Indenture, dated as of February 1, 2013 (the “2013 Indenture”), by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as Trustee (the “Trustee”), as supplemented by the First Supplement to Indenture, dated as of December 1, 2018, by and between the Community Facilities District and the Trustee (the “First Supplement”) and as further supplemented by the Second Supplement to Indenture, dated as of [June] 1, 2024, by and between the Community Facilities District and the Trustee (the “Second Supplement”). The 2013 Indenture as amended and supplemented by the First Supplement and the Second Supplement is referred to herein as the “Indenture.”

1. Purchase, Sale and Delivery of the Bonds.

A. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein: (i) the Underwriter hereby agrees to purchase from the Community Facilities District and the Community Facilities District hereby agrees to sell to the

Underwriter all (but not less than all) of the \$[PAR] aggregate principal amount of the Community Facilities District No. 05-8 (Scotts Road) of the County of Riverside Special Tax Bonds, Series 2024 (the “Bonds”), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$_____ (being 100% of the aggregate principal amount thereof, plus net original issue premium of \$_____ and less an Underwriter’s discount of \$_____).

As an accommodation to the Community Facilities District, on the Closing Date, the Underwriter will pay from the purchase price for the Bonds the amount of \$_____ representing the premium for the insurance policy (the “Insurance Policy”) to be issued concurrently with the delivery of the Bonds by _____ (the “Insurer”) guaranteeing the scheduled payment of principal of and interest on the Bonds maturing on September 1 of the years 20__ through 20__, inclusive.

On the Closing Date, the Underwriter will deliver the total amount of \$_____ (representing the purchase price of the Bonds less the premium for the Insurance Policy, as described above) to the Trustee, on behalf of the Community Facilities District.

2. The Bonds. The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Net Special Tax Revenues on a parity with the outstanding 2018 Bonds as provided in the Indenture, the Preliminary Official Statement (as hereinafter defined), and the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California (the “State”)) (the “Community Facilities District Act”). The issuance of the Bonds has been duly authorized by the Board of Supervisors of the County of Riverside (the “County”), as the legislative body for the Community Facilities District, pursuant to a resolution (the “Community Facilities District Resolution of Issuance”) adopted on [April 30], 2024.

The net proceeds of the Bonds will be used to (i) refund the District’s outstanding Special Tax Bonds, Series 2013, originally issued in the aggregate principal amount of \$16,875,000 and currently outstanding in the aggregate principal amount of \$15,230,000, (ii) increase the balance in the reserve fund to equal the Reserve Requirement upon issuance of the Bonds, (iii) pay the premium for the Insurance Policy, and (iv) pay costs of issuance of the Bonds.

3. Public Offering and Establishment of Issue Price.

A. The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds subject to this Section 3, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds will be offered and sold to certain dealers at prices lower than such initial offering prices.

The Community Facilities District hereby acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations, warranties and agreements made by the Community Facilities District herein, and the Community Facilities District shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately

notify the Underwriter if it becomes aware that any representation, warranty or agreement made by the Community Facilities District herein is incorrect in any material respect.

The Community Facilities District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Community Facilities District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as the agent or fiduciary of, or a municipal or financial advisor of, the Community Facilities District and has not assumed any advisory or fiduciary responsibility to the Community Facilities District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided or is currently providing other services to the Community Facilities District on other matters), (iv) the Underwriter has financial interests that differ from those of the Community Facilities District, (v) the only obligations the Underwriter has to the Community Facilities District with respect to the transaction contemplated hereby are expressly set forth in this Purchase Agreement, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission or the rules of the MSRB (as defined below) or other law, and (vi) the Community Facilities District has consulted its own legal, financial, accounting, tax, and other advisors to the extent they have deemed appropriate in connection with this transaction. The Community Facilities District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB"). The Community Facilities District acknowledges and represents that it has engaged Fieldman, Rolapp & Associates, Inc. (the "Municipal Advisor") as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely solely on the financial advice of the Municipal Advisor with respect to the Bonds.

B. The Underwriter agrees to assist the Community Facilities District in establishing the issue price of the Bonds and shall execute and deliver to the Community Facilities District at Closing (as defined below) an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form set forth in Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Community Facilities District and Bond Counsel (as such term is defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Community Facilities District under this section to establish the issue price of the Bonds may be taken on behalf of the Community Facilities District by the Municipal Advisor and any notice or report to be provided to the Community Facilities District may be provided to the Municipal Advisor.

C. Except as otherwise set forth in Exhibit A, the Community Facilities District will treat the first price at which 10% of each maturity of the Bonds (the "10% test"), identified under the column "10% Test Used" in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Community Facilities District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Community Facilities District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either: (i) the Underwriter has sold all of the Bonds of that maturity; or (ii), the 10% test has been satisfied as to the Bonds of that maturity, provided that, the

Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon the request of the Community Facilities District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds. For clarity, and notwithstanding any other condition to Closing set forth in this Purchase Agreement, the sale of 10% of each maturity of the Bonds to the public prior to the Closing Date shall not be a condition to Closing.

D. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Rule Used," as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Community Facilities District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Community Facilities District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or
2. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Community Facilities District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

E. The Underwriter confirms that:

(1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter; (B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public; and

(2) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

F. The Community Facilities District acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Community Facilities District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

G. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

1. “public” means any person other than an underwriter or a related party;

2. “underwriter” means (A) any person that agrees pursuant to a written contract with the Community Facilities District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the public);

3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership

of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. “sale date” means the date of execution of this Purchase Agreement by all parties.

4. The Official Statement.

A. Pursuant to the authorization of the Community Facilities District, the Underwriter has distributed copies of the Preliminary Official Statement dated [POS Date], relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the “Preliminary Official Statement.” By its acceptance of this Purchase Agreement, the Community Facilities District hereby ratifies the use by the Underwriter of the Preliminary Official Statement, and the Community Facilities District agrees to execute a final official statement relating to the Bonds (the “Official Statement”) which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Stradling Yocca Carlson & Rauth LLP, as Bond Counsel (“Bond Counsel”) and as Disclosure Counsel (“Disclosure Counsel”), and the Underwriter, and to provide copies thereof to the Underwriter as set forth herein. The Community Facilities District hereby authorizes the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Community Facilities District further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Indenture, the Continuing Disclosure Agreement executed by the Community Facilities District in connection with the Bonds (the “Continuing Disclosure Agreement”), this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement. This Purchase Agreement, the Indenture, the Bonds, and the Continuing Disclosure Agreement, are collectively referred to herein as the “Community Facilities District Documents.”

B. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”), the Community Facilities District will undertake pursuant to the Continuing Disclosure Agreement, in the form attached as Appendix D to the Official Statement, to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

5. Closing. Except as the Underwriter and the Community Facilities District may otherwise agree, the Community Facilities District will deliver to the Underwriter, at the offices of Bond Counsel in Newport Beach, California, or at such other location as may be mutually agreed upon by the Underwriter and the Community Facilities District, the documents hereinafter mentioned; and the Community Facilities District will deliver to the Underwriter through the facilities of The Depository Trust Company (“DTC”), the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Community Facilities District and authenticated by the Trustee in the manner provided for in the Second Supplement and the Community Facilities District Act at 8:30 a.m. California time, on [Closing Date] (the “Closing Date”), and the

Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (A) of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the “Closing”). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

6. Representations, Warranties and Covenants of the Community Facilities District. The Community Facilities District represents, warrants and covenants to the Underwriter on behalf of itself and the County that:

A. The County is a political subdivision, organized and existing pursuant to the Constitution and laws of the State and has duly authorized the formation of the Community Facilities District and the incurring of bonded indebtedness thereby pursuant to resolutions duly adopted by the Board of Supervisors (collectively, the “Community Facilities District Formation Resolutions” and, together with the Community Facilities District Resolution of Issuance, the “Community Facilities District Resolutions”) and the Community Facilities District Act. The Board of Supervisors, as the legislative body of the County and the Community Facilities District, has duly adopted the Community Facilities District Formation Resolutions and an ordinance of the Board of Supervisors levying Special Taxes within the Community Facilities District (the “Ordinance”), and has caused to be recorded in the real property records of the County, a notice of special tax lien, and any required amendments thereof (collectively, the “Notice of Special Tax Lien” and, together with the Community Facilities District Formation Resolutions and the Ordinance, the “Formation Documents”), and has duly adopted the Community Facilities District Resolution of Issuance. Each of its Formation Documents remains in full force and effect as of the date hereof and has not been amended or rescinded. The Community Facilities District is duly organized and validly existing as a Community Facilities District under the laws of the State. The Community Facilities District has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under the Community Facilities District Documents, and to carry out all transactions contemplated by each of such agreements; (ii) to issue, sell and deliver the Bonds as provided herein; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Community Facilities District Documents, and the Official Statement.

B. The Community Facilities District and the County, as applicable, have each complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the Community Facilities District Documents, and any immaterial noncompliance by the Community Facilities District and the County, if any, will not impair the ability of the Community Facilities District and the County, as applicable, to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the Community Facilities District Documents.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Community Facilities District, the County and the Bonds (other than statements pertaining to the book-entry system, the Insurer and the Insurance Policy, as to which no view is expressed), is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D)

below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period, the Community Facilities District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not affect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Community Facilities District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term “End of the Underwriting Period” means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Community Facilities District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the “End of the Underwriting Period.”

E. Except as described in the Preliminary Official Statement, the Community Facilities District is not, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance of its obligations under the Community Facilities District Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement.

F. Except as may be required under the “blue sky” or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Community Facilities District of its obligations under the Community Facilities District Documents, and the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

G. The Community Facilities District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement.

H. The Bonds are payable from the Net Special Tax Revenues of the Community Facilities District, as set forth in the Indenture, the levy of which has been duly and validly authorized pursuant to the Community Facilities District Act and the Special Taxes within the Community Facilities District will be fixed and levied in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the 2018 Bonds and the Bonds when due and payable, all as provided in the Indenture. The Community Facilities District has covenanted to cause the Special Taxes to be levied and collected at the same time and in the same manner as ordinary *ad valorem* property taxes or in such other manner as the Board of Supervisors shall determine.

I. The Indenture creates a valid pledge of, first lien upon and security interest in, the Net Special Tax Revenues of the Community Facilities District, and in the moneys in the Special Tax Fund, the Bond Fund, and the Reserve Fund established pursuant to the Indenture, on parity with the 2018 Bonds, on the terms and conditions set forth in the Indenture.

J. Except as disclosed in the Preliminary Official Statement, there are, to the best of the Community Facilities District's knowledge, no entities with outstanding assessment liens against any of the properties within the Community Facilities District or which are senior to or on a parity with the Special Taxes of the Community Facilities District.

K. The information contained in the Preliminary Official Statement and in the Official Statement (other than statements therein pertaining to the DTC, its book-entry system, the Insurer and the Insurance Policy, as to which no view is expressed) is true and correct in all material respects and such information does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

L. The Preliminary Official Statement was deemed final by a duly authorized officer of the Community Facilities District prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Community Facilities District hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Community Facilities District shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the MSRB.

M. At the time of acceptance hereof there is and as of the Closing there will be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending (notice of which has been served on the County or the Community Facilities District) or to the best knowledge of the Community Facilities District or the County threatened, in which any such Action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the Community Facilities District to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the payment or collection of Special Taxes or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Community Facilities District Documents or the consummation of the transactions on the part of the Community Facilities District contemplated thereby; (iii) contests the exemption of interest on the Bonds from federal or State

income taxation or contests the powers of the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and as of the time of acceptance hereof there is and, as of the Closing Date, there will be no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

N. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the Community Facilities District authorized to do so shall be deemed a representation and warranty by the Community Facilities District to the Underwriter on behalf of itself and the Community Facilities District as to the statements made therein.

O. At or prior to the Closing, the Community Facilities District will have duly authorized, executed and delivered the Continuing Disclosure Agreement in substantially the form attached as Appendix D to the Official Statement. Based upon a review of previous undertakings of the County and its related entities, including the Community Facilities District, and except as disclosed in the Preliminary Official Statement, the County and such entities have not failed to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of enumerated events in the last five years.

P. The Community Facilities District will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Preliminary Official Statement and Official Statement.

Q. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the Community Facilities District will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture.

R. Between the date of this Purchase Agreement and the date of Closing, the Community Facilities District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

S. The County, on behalf of the Community Facilities District, has adopted local debt policies in accordance with Section 8855(i) of the California Government Code.

The Community Facilities District hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Bond Counsel, Disclosure Counsel and the Underwriter, from time to time prior to the Closing Date.

The Community Facilities District hereby ratifies any prior use of and authorizes the future use by the Underwriter, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement, the Official Statement, this Purchase Agreement and all information contained herein, and all other documents, certificates and written statements furnished by the Community

Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the Community Facilities District shall constitute a representation by the Community Facilities District to the Underwriter that the representations and warranties contained in this Section 6 with respect to the Community Facilities District and the County are true as of the date hereof.

7. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the Community Facilities District contained herein, to the accuracy in all material respects of the statements of the officers and other officials of, or others on behalf of, the Community Facilities District made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Community Facilities District of their obligations to be performed hereunder at or prior to the Closing Date, and to the following additional conditions:

A. At the Closing Date, the Community Facilities District Resolutions and the Community Facilities District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as described in the Preliminary Official Statement, the County shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the County is a party or is otherwise subject or bound, and the performance of the conditions precedent to be performed hereunder will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the County is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance of the conditions precedent to be performed by the County hereunder.

C. At the Closing Date, except as described in the Preliminary Official Statement, the Community Facilities District shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance by the Community Facilities District of its obligations under the Bonds, the Community Facilities District Resolutions, the Community Facilities District Documents, and any other instruments contemplated by any of such documents, and compliance with the provisions of each

thereof, or the performance of the conditions precedent to be performed hereunder, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the performance of the conditions precedent to be performed by the Community Facilities District hereunder.

D. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

E. Between the date hereof and the time for Closing, this Purchase Agreement shall have not been terminated by the Underwriter pursuant to Section 8 hereof.

F. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the Community Facilities District by an authorized officer;

2. The Community Facilities District Documents, each duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

3. The Community Facilities District Resolutions and other Formation Documents, together with a certificate dated as of the Closing Date of the Clerk of the Board of Supervisor to the effect that such resolutions and documents are true, correct and complete copies of the ones duly adopted by the Board of Supervisors;

4. The approving opinion of Bond Counsel dated the Closing Date and addressed to the Community Facilities District, in substantially the form attached as Appendix E to the Official Statement, and a reliance letter or letters thereon addressed to the Underwriter, the Trustee and the Insurer;

5. A supplemental opinion or opinions of Bond Counsel dated the Closing Date and addressed to the Underwriter and the Insurer to the effect that:

(i) this Purchase Agreement and the Continuing Disclosure Agreement have been duly executed and delivered by the Community Facilities District and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid and binding obligations of the Community Facilities District, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting

creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on legal remedies against public agencies in the State;

(ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(iii) the Bonds constitute valid and binding special obligations of the Community Facilities District and are enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State),

(iv) the issuance of the Bonds, in and of itself, will not adversely affect the exclusion of interest on the 2018 Bonds Outstanding prior to the issuance of the Bonds from gross income for federal income tax purposes; and

(v) the statements contained in the Official Statement under the captions "INTRODUCTION – General," "– Security and Sources of Payment for the Bonds" "– Description of the 2024 Bonds," "THE 2024 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," (except information under the caption "– Rate and Method" as to which no opinion is expressed), "LEGAL MATTERS – Tax Matters," Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," and APPENDIX E – "FORM OF OPINION OF BOND COUNSEL," excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Indenture, Bond Counsel's final approving opinion and certain matters addressed in Bond Counsel's final approving opinion, are accurate in all material respects.

6. A letter, dated the Closing Date and addressed to the Underwriter and the Insurer, of Disclosure Counsel, to the effect that such counsel is not passing upon and has not undertaken to determine independently or to verify the accuracy or completeness of the statements contained in the Preliminary Official Statement or in the Official Statement, and is, therefore, unable to make any representation to the Underwriter in that regard, but on the basis of its participation in conferences with representatives of the County, County Counsel, Bond Counsel, Webb Municipal Finance, LLC (the "Special Tax Consultant"), the Municipal Advisor, representatives of the Underwriter and others, during which conferences the content of the Preliminary Official Statement and the Official Statement and related matters were discussed, and its examination of certain documents, and, in reliance thereon and based on the information made available to it in its role as Disclosure Counsel and its understanding of applicable law, Disclosure Counsel advises the Underwriter and the Insurer as a matter of fact, but not opinion, that no information has come to the attention of the attorneys in the firm working on such matter which has led them to believe that the Preliminary Official Statement as of its date and the date hereof and the Official Statement as of its date and as of the Closing Date (in each case excluding therefrom the financial and statistical data, forecasts, charts, numbers, estimates, projections, assumptions and expressions of opinion included in the Preliminary Official Statement and the Official Statement, information regarding DTC and its book entry system, information regarding the Insurance Policy, the Insurer, and the information set forth in the Appendices to the Preliminary Official Statement and in the Official Statement, as to all

of which no opinion is expressed) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

7. A certificate dated the Closing Date and signed by an authorized representative of the Community Facilities District or an authorized designee, on behalf of the Community Facilities District to the effect that: (i) the representations and warranties made by the Community Facilities District contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be satisfied under the Community Facilities District Resolutions, the Community Facilities District Documents and the Official Statement at or prior to the Closing Date; and (iv) all information in the Official Statement relating to the Community Facilities District (other than information therein provided by the Special Tax Consultant) is true and correct in all material respects as of the date of the Official Statement and as of the Closing Date;

8. An opinion of County Counsel dated the date of Closing and addressed to the Underwriter, the Trustee, and the Insurer, substantially in the form attached hereto as Exhibit B;

9. A certificate dated the Closing Date from Special Tax Consultant addressed to the Community Facilities District and the Underwriter to the effect that: (i) the Special Tax from Developed Property, if levied and collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes of the Community Facilities District, as of the Closing Date, would generate at least 110% of the annual debt service payable with respect to the Bonds and the 2018 Bonds net of estimated Administrative Expenses in each of the years the Bonds and the 2018 Bonds are outstanding, based on such assumptions and qualifications as shall be acceptable to the Underwriter; and (ii) the statements and information in the Preliminary Official Statement and the Official Statement provided by Special Tax Consultant concerning Special Taxes in the Community Facilities District and all information supplied by it for use in the Official Statement were as of the date of the Preliminary Official Statement, the date of the Official Statement and are as of the Closing Date true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

10. Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution of the Indenture and the authentication of the Bonds;

11. A certificate of the Trustee, addressed to the Underwriter, and the Community Facilities District dated the Closing Date, to the effect that: (i) the Trustee is authorized to carry out corporate trust powers, and has full power and authority to perform its duties under the Indenture and the Continuing Disclosure Agreement; (ii) the Trustee is duly authorized to execute and deliver the Indenture and the Continuing Disclosure Agreement, to accept the obligations created by the Indenture and the Continuing Disclosure Agreement and to authenticate the Bonds pursuant to the terms of the Indenture; (iii) no consent, approval, authorization or other action by any

governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture; and (iv) to the best of its knowledge, compliance with the terms of the Indenture will not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties;

12. An opinion of counsel to the Trustee dated the Closing Date, addressed to the Underwriter the Community Facilities District and the Insurer to the effect that (i) the Trustee is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization and has the corporate power to execute and deliver the Indenture, the Continuing Disclosure Agreement, and any other documentation relating thereto, (ii) the execution and delivery by the Trustee of the Indenture, the Continuing Disclosure Agreement, and any other documentation relating thereto, and its performance of its obligations under the Indenture, and The Continuing Disclosure Agreement have been and are as of the date hereof duly authorized by all necessary corporate action, (iii) the Indenture and the Continuing Disclosure Agreement have been duly executed and delivered and constitute the valid and legally binding obligations of the Trustee enforceable against it in accordance with their terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law), and (iv) the Bonds have been duly authenticated and delivered by the Trustee;

13. A certificate of the Community Facilities District dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

14. An opinion of Anzel Galvan LLP, San Francisco, California, counsel to the Underwriter, dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

15. Evidence that the Bonds have been assigned the ratings described in the Official Statement;

16. A certificate of the Community Facilities District stating that the conditions precedent to the issuance of the Bonds specified in Section 3.05 of the Indenture have been satisfied;

17. Evidence satisfactory to the Underwriter that the Trustee shall have received the Insurance Policy from the Insurer.

18. An opinion of counsel to the Insurer, in form and substance satisfactory to the Underwriter, Bond Counsel and Underwriter's Counsel, with respect to, among other matters, the Insurance Policy, and disclosures relating thereto in the Official Statement;

19. A certificate of the Insurer, in form and substance satisfactory to the Underwriter, Bond Counsel, and Underwriter's Counsel, with respect to, among other matters, the Policy, and disclosures relating thereto in the Official Statement;

20. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations and warranties of the Community Facilities District contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Community Facilities District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District in connection with the transactions contemplated hereby and by the Indenture and the Official Statement.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Agreement will be deemed to be in compliance with the provisions of this Purchase Agreement if, but only if, they are in form and substance satisfactory to the Underwriter. If the Community Facilities District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Community Facilities District nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Community Facilities District set forth in Section 12 hereof shall continue in full force and effect.

8. Termination Events. In recognition of the desire of the Community Facilities District and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the discretion of the Underwriter by notification, in writing, to the Community Facilities District prior to delivery of and payment for the Bonds, if between the date hereof and the time of Closing, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

A. the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

1. legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds;

2. there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis

in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis;
or

3. a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of U.S. Securities and Exchange Commission (“SEC”) or any other governmental authority having jurisdiction; or

4. legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Securities, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

5. except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Community Facilities District shall have occurred; or

6. any rating of the Bonds or the rating of any obligations of the Community Facilities District payable from Special Taxes shall have been downgraded, withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

B. any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Community Facilities District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

C. a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

D. a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

E. any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by

the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

F. a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939; or

G. the commencement of one or more Actions.

Subject to Section 12, upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the Community Facilities District and the Underwriter under this Purchase Agreement shall terminate, without further liability.

9. Expenses.

A. Whether or not the Bonds are sold to the Underwriter, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the Community Facilities District hereunder. If the Bonds are delivered by the Community Facilities District, the Community Facilities District shall pay, from the proceeds of the Bonds or from other funds of the Community Facilities District, the following expenses: (a) the cost of preparing, duplicating or printing, mailing and delivering the Community Facilities District Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof); (b) the cost of preparation and printing of the definitive Bonds; (c) the fees and expenses of the Community Facilities District, the Trustee, Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Special Tax Consultant, any entity performing continuing disclosure compliance research or providing continuing disclosure compliance reports and any other experts or consultants retained by the Community Facilities District; (d) the charges of any rating agency with respect to the Bonds; (e) reimbursement to the Underwriter for payment of any fees and expenses reasonably incurred in connection with the initial offering, sale and delivery of the Bonds, including but not limited to industry fees (e.g., DTC, DAC, IPREO, CUSIP and Day Loan fees) only if the Community Facilities District and Underwriter have previously discussed and approved the allocation of proceeds towards these fees, and meal and travel expenses of the personnel of the Community Facilities District, but not including entertainment expenses or those to be paid by the Underwriter pursuant to the last paragraph of this Section 9, and (f) all other fees and expenses, not including entertainment expenses, reasonably incurred in connection with the preparation of the Community Facilities District Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof) and/or the initial offering, sale and delivery of the Bonds. The Community Facilities District has authorized, and does hereby authorize, the Underwriter to pay such expenses on behalf of the Community Facilities District from proceeds of the Bonds at Closing as further described in the closing memorandum relating to the Bonds.

B. If the Bonds are sold to the Underwriter by the Community Facilities District, the Community Facilities District shall pay out of the proceeds of the Bonds the discount of the Underwriter or the purchase price paid for the Bonds shall reflect such discount.

Except as otherwise provided in this Section 9, the Underwriter shall pay the cost, if any, of qualifying the Bonds for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by it in connection with its public offering and distribution of the Bonds, not described above.

10. Notices. Any notice or other communication to be given to the Community Facilities District or the Community Facilities District under this Purchase Agreement may be given by delivering the same in writing to the County of Riverside, 4080 Lemon Street, 4th Floor, Riverside, California 92501, Attention: County Executive Officer; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 2121 Avenue of the Stars, Suite 2150, Los Angeles, California 90067, Attention: Sara Brown.

11. Parties In Interest. This Purchase Agreement is made solely for the benefit of the Community Facilities District and Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

12. Survival of Representations and Warranties. The representations and warranties of the Community Facilities District under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Community Facilities District and regardless of delivery of and payment for the Bonds.

13. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

15. No Prior Agreements. This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

16. Governing Law. This Purchase Agreement shall be governed by the laws of the State.

17. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Its: _____

The foregoing is hereby agreed to and
accepted as of the date first above written:

COMMUNITY FACILITIES DISTRICT
NO. 05-8 (SCOTTS ROAD)
OF THE COUNTY OF RIVERSIDE

By: _____
Authorized Officer

Time of Execution: _____ California time

EXHIBIT A

MATURITY SCHEDULE

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Initial Offering Price</u>	<u>10% Test Used</u>	<u>Hold-the- Offering- Price Rule Used</u>
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T: Term Bond.

C: Priced to optional redemption date of September 1, 20__, at par.

* At the time of execution of this Purchase Agreement and assuming orders are confirmed immediately after the execution of this Purchase Agreement.

REDEMPTION PROVISIONS

Optional Redemption. The Bonds may be redeemed, at the option of the Community Facilities District, from any source of funds, other than prepayments of Special Taxes, prior to their stated maturities, [on any date] on or after September 1, 20__, in whole, or in part in Authorized Denominations (in such amounts and maturities as may be designated by the Community Facilities District, with the particular Bonds of such maturities to be selected by the Trustee by lot), at the following redemption prices expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
September 1, 20__ and March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

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

<i>Redemption Dates (September 1)</i>	<i>Principal Amount</i>
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(maturity)

If the Community Facilities District purchases Term Bonds and delivers them to the Trustee at least 45 days prior to an applicable redemption date, the principal amount of the Term Bonds so purchased shall be credited to reduce the sinking fund payment due on such redemption date for the applicable maturity of the Term Bonds. All Term Bonds purchased by the Community Facilities District and delivered to the Trustee shall be cancelled pursuant to the Indenture.

In the event of a partial optional redemption or special mandatory redemption of Term Bonds, each of the remaining sinking fund payments for such Term Bonds, as described above, will be reduced, as nearly as practicable, on a pro rata basis.

Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to redemption as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date on and after March 1, 20__ from the proceeds of the prepayment of the Special Taxes deposited in the Redemption Fund pursuant to the Indenture and amounts transferred from the Reserve Fund in connection with such prepayment. Such extraordinary mandatory redemption of the Bonds shall be at the following redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), together with accrued interest thereon to the date of redemption:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
September 1, 20__ through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 202__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

EXHIBIT B

FORM OF OPINION OF COUNTY COUNSEL

[Closing Date]

Community Facilities District
No. 05-8 (Scotts Road) of the
County of Riverside
Riverside, California

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

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

[Insurer]
New York, New

COUNTY COUNSEL OPINION

Re: \$[PAR] Community Facilities District No. 05-8 (Scotts Road) of the County of
Riverside Special Tax Bonds, Series 2024

Ladies and Gentlemen:

As County Counsel to the County of Riverside (the “County”), we have acted as counsel to the County and the Community Facilities District No. 05-8 (Scotts Road) of the County of Riverside (the “Community Facilities District”) in connection with the issuance of the above-referenced bonds (the “Bonds”). In such capacity, we have been asked to render this opinion in connection with Section 7(F)(8) of that certain Bond Purchase Agreement, dated [Pricing Date] (the “Bond Purchase Agreement”), by and between Stifel, Nicolaus & Company, Incorporated, as underwriter, and the Community Facilities District, relating to the Bonds. All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Bond Purchase Agreement.

In rendering this opinion, we have examined and relied upon originals or copies of the following upon which, with your permission, we are relying, without further inquiry or investigation (although we advise you that we have no actual knowledge to the contrary of any matters related thereto): (i) the Community Facilities District Resolution of Issuance; (ii) the Formation Documents, including Resolution No. 2006-072, Resolution No. 2006-073, Resolution No. 2006-092, Resolution No. CFD 2006-02, Resolution No. CFD 2006-03, and Ordinance No. 852, each adopted by the Board of Supervisors of the County, as the legislative body of the Community Facilities District; (iii) the Community Facilities District Documents; and (iv) the Official Statement, relating to the Bonds, and we have made such other investigations of law and facts as we have deemed necessary to render the following opinions.

The opinions expressed herein are based on an analysis of existing statutes, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We

have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We express no opinion with respect to any indemnification, contribution, lien priority or choice of law provisions contained in the foregoing documents.

In our examination, we have assumed, without independent investigation, the authenticity of all documents submitted to us as originals, of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents and the accuracy of the statements and representations contained in such documents. In addition, we have assumed the authority of and due execution by each of the parties to the documents other than the County and the Community Facilities District.

Based on the foregoing, we hereby advise you that, as of the date hereof, we are of the opinion that:

(i) the County is a political subdivision, organized and existing pursuant to the Constitution and the laws of the State of California;

(ii) the Community Facilities District is duly organized and validly existing as a community facilities district under and by virtue of the Constitution and laws of the State of California (including the Community Facilities District Act);

(iii) the Community Facilities District Resolution of Issuance and the Formation Documents have been duly adopted at meetings of the Board of Supervisors of the County, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Community Facilities District Resolution of Issuance and the Formation Documents are in full force and effect and have not been modified, amended, rescinded or repealed since the respective dates of their adoption;

(iv) the Community Facilities District Documents and the Official Statement have been duly authorized, executed and delivered by the Community Facilities District and constitute the legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases or seeks to restrain or to enjoin the development of property within the Community Facilities District;

(v) except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the County or the Community Facilities District) or, to our current actual knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the County or the Community Facilities District, or the titles of their members and officers to their respective offices; or (b) affect the validity of the Community Facilities District Documents or restrain or enjoin the repayment of the Bonds or in any way contest or affect the validity of the Community Facilities District Documents or contest the authority of the Community Facilities District to enter into or perform its obligations under any of the Community Facilities District Documents or under which a determination adverse to the County or Community Facilities District would have a material adverse effect upon the financial condition or the revenues of the County or Community Facilities District, questions the right of the Community Facilities

District to use Special Taxes levied within the Community Facilities District for the repayment of the Bonds or affects in any manner the right or ability of the Community Facilities District to collect or pledge the Special Taxes levied within the Community Facilities District for the repayment of the Bonds;

(vi) the execution and delivery of the Bonds and the Community Facilities District Documents, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument of which the Community Facilities District is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Community Facilities District to perform its obligations under the Bonds or the Community Facilities District Documents; and

(vii) all approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the Community Facilities District, to perform its obligations under the Bonds or the Community Facilities District Documents, have been obtained or made, as the case may be, and are in full force and effect.

County Counsel

EXHIBIT C

**COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTTS ROAD)
OF THE COUNTY OF RIVERSIDE
SPECIAL TAX BONDS, SERIES 2024**

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby certifies as set forth below with respect to the sale and delivery of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated [Pricing Date], by and between Stifel, as the Underwriter (as defined below), and the Issuer (as defined below), Stifel has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (which Sale Date is [Pricing Date]), or (ii) the date on which Stifel has sold at least 10% of

such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Community Facilities District No. 05-8 (Scotts Road) of the County of Riverside.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [Pricing Date].

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____

Name: _____

Dated: [Closing Date]

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

ESCROW AGREEMENT

by and between

**COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF
RIVERSIDE**

and

**U.S BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Escrow Bank**

Dated as of _____ 1, 2024

Relating to

**COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
SPECIAL TAX BONDS, SERIES 2013**

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of _____ 1, 2024 (this “Agreement”), is by and between the Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the “Community Facilities District”) and U.S. Bank Trust Company, National Association, acting in its capacity as escrow bank (the “Escrow Bank”) pursuant to this Agreement;

WITNESSETH:

WHEREAS, the Community Facilities District has previously issued its Special Tax Bonds, Series 2013, as shown on Schedule A attached hereto (the “Refunded Bonds”) pursuant to the terms of that certain Indenture, dated as of February 1, 2013, by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), as supplemented by the First Supplement to Indenture, dated as of December 1, 2018, by and between the Community Facilities District and the Trustee (collectively, as supplemented, the “Prior Indenture”); and

WHEREAS, the Community Facilities District has determined to issue its Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024 (the “Bonds”), in the aggregate principal amount of \$ _____ pursuant to the Second Supplement to Indenture, dated as of _____ 1, 2024, by and between the Community Facilities District (the “Second Supplement,” and, together with the Prior Indenture, the “Indenture”), for the purpose, in part, of providing moneys for the purchase of certain securities and investments consisting of direct noncallable obligations of the United States of America as listed on Schedule B attached hereto and made a part hereof (the “Defeasance Securities”), in an amount which, together with income to accrue on such securities and monies on deposit in the Escrow Fund (defined below), will be sufficient to redeem the Refunded Bonds on September 1, 2024, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium;

NOW, THEREFORE, the Community Facilities District and the Escrow Bank hereby agree as follows:

SECTION 1. Deposit of Moneys.

(a) The Community Facilities District hereby deposits with the Escrow Bank \$ _____ of proceeds of the Bonds, plus \$ _____ from amounts held under the Prior Indenture and \$ _____ from funds transferred by the Community Facilities Districts (as defined in the Indenture), to be held in irrevocable escrow by the Escrow Bank separate and apart from other funds of the Community Facilities District and the Escrow Bank, in a fund hereby created and established and to be known as the “Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Bonds Series 2013 Escrow Fund” to be maintained by the Escrow Bank (the “Escrow Fund”), and to be applied solely as provided in this Agreement. Such moneys in the Escrow Fund, will be sufficient to pay the redemption price of the Refunded Bonds, as shown in the Escrow Fund Cash Flow set forth in Schedule C hereto. All securities, investments and moneys in the Escrow Fund are hereby irrevocably pledged, subject to the provisions of Section 2 hereof, to secure the payment of the Refunded Bonds. The Escrow Bank shall purchase Defeasance Securities as described in Schedule B at a cost of \$ _____ and shall retain \$ _____ uninvested in cash.

(b) The Escrow Bank hereby acknowledges receipt of the written opinion of Robert Thomas CPA, LLC, independent certified public accountants, dated _____, 2024 relating to the defeasance and redemption of the Refunded Bonds (the “Verification Report”).

SECTION 2. Use and Investment of Moneys.

(a) The Community Facilities District and the Escrow Bank each shall take all remaining action, if any, necessary to have the Defeasance Securities issued and registered in the name of the Escrow Bank for the account of the Escrow Fund. Except as otherwise provided in this Section, the Escrow Bank shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested.

(b) Upon the written direction of the Community Facilities District, but subject to the conditions and limitations herein set forth, the Escrow Bank shall sell, transfer, request the redemption or otherwise dispose of some or all of the Defeasance Securities in the Escrow Fund and purchase with the proceeds derived from such sale, transfer, redemption or other disposition noncallable and non-prepayable obligations constituting direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America (the “Substitute Defeasance Securities”). Such sale, transfer, redemption or other disposition of Defeasance Securities and purchase of Substitute Defeasance Securities shall be effected by the Escrow Bank upon the written direction of the Community Facilities District, but only by a simultaneous transaction and only if (i) a nationally recognized firm of independent certified public accountants shall certify that (a) the Substitute Defeasance Securities, together with the Defeasance Securities which will continue to be held in the Escrow Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Defeasance Securities and Substitute Defeasance Securities held in the Escrow Fund, together with any uninvested moneys therein, to make all payments required by Section 3 hereof which have not previously been made, and (b) the amount and date of the anticipated payment by the Escrow Bank of the principal and interest on the Refunded Bonds will not be diminished or postponed thereby; and (ii) the Escrow Bank shall receive an unqualified opinion of nationally recognized municipal bond attorneys addressed to the Escrow Bank and the Community Facilities District to the effect that the proposed sale, transfer, redemption or other disposition and substitution of Defeasance Securities will not adversely affect the exclusion of interest on the Bonds or the Refunded Bonds from gross income for federal income tax purposes. The parties acknowledge that the Escrow Bank is not providing investment supervision, recommendations, or advice under this Agreement.

(c) Upon the written direction of the Community Facilities District, but subject to the conditions and limitations herein set forth, the Escrow Bank will apply any moneys received from the maturing principal of or interest or other investment income on any Defeasance Securities and Substitute Defeasance Securities held in the Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Defeasance Securities pursuant to Section 2(b) not required for the purposes of said Section, as follows: to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 3 hereof, as certified by a nationally recognized firm of independent certified public accountants, such moneys shall be transferred to the Community Facilities District upon the written direction of the Community Facilities District as received by the Escrow Bank, free and clear of any trust, lien, pledge or assignment securing the Refunded Bonds or otherwise existing hereunder or under the Indenture.

The Community Facilities District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Community Facilities District the right to receive brokerage confirmations of security transactions as they occur, the Community Facilities District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the Community Facilities District periodic cash transaction statements which shall include detail for all investment transactions made by the Escrow Bank hereunder.

SECTION 3. Refunding of the Refunded Bonds. The Community Facilities District hereby requests and irrevocably instructs the Escrow Bank, and the Escrow Bank hereby agrees, to collect and deposit in the Escrow Fund the principal of and interest on the Defeasance Securities and Substitute Defeasance Securities held for the account of the Escrow Fund promptly as such principal and interest become due, and to apply, subject to the provisions of Section 2 hereof, such principal and interest, together with any other moneys and the principal of and interest on any other securities deposited in the Escrow Fund, to the payment of the Refunded Bonds at the places and in the manner stipulated in the Refunded Bonds and in the Indenture.

SECTION 4. Possible Deficiencies; Amounts in Excess of Required Cash Balance.

(a) If at any time the Escrow Bank has actual knowledge that the moneys in the Escrow Fund, including the anticipated proceeds of the Defeasance Securities and any Substitute Defeasance Securities, will not be sufficient to make all payments required by Section 3 hereof, the Escrow Bank shall notify the Community Facilities District in writing as soon as is reasonably practicable, of such fact, the amount of such deficiency and the reason therefor solely to the extent actually known to it; provided, however, the Community Facilities District shall have no liability for any deficiency and shall not be required to provide funds to eliminate any such deficiency.

(b) The Escrow Bank shall in no manner be responsible or liable for any deficiency in the Escrow Fund.

SECTION 5. Performance of Duties. The Escrow Bank agrees to perform the duties set forth herein.

SECTION 6. Indemnity. The Community Facilities District hereby assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, directors, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable counsel fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the Community Facilities District or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the Community Facilities District shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Bank's respective agents and employees or the breach by the Escrow Bank of the terms of this Agreement. In no event shall the Community Facilities District or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other

than to each other as set forth in this Section 6. The indemnities contained in this Section 6 shall survive the termination of this Agreement.

SECTION 7. Responsibilities of the Escrow Bank. The Escrow Bank undertakes to perform such duties and only such duties as are specifically and expressly set forth in this Agreement. These duties shall be deemed purely ministerial in nature, and the Escrow Bank shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Agreement against the Escrow Bank. The Escrow Bank shall have no liability for any action taken, or errors in judgment made, in good faith by it or any of its officers, employees or agents, unless it shall have been negligent in ascertaining the pertinent facts. The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the amounts in the Escrow Fund to accomplish the defeasance of the Refunded Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. In no event shall the Escrow Bank be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the Community Facilities District and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the amounts in the Escrow Fund to accomplish the defeasance of the Refunded Bonds or to the validity of this Agreement as to the Community Facilities District and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. The permissive rights of the Escrow Bank to do things enumerated in this Agreement shall not be construed as a duty and, with respect to such permissive rights, the Escrow Bank shall not be answerable for other than its negligence or willful misconduct. The Escrow Bank may consult with counsel, who may or may not be counsel to the Community Facilities District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Community Facilities District.

The Escrow Bank shall have no responsibilities (except as expressly set forth herein) as to the validity, sufficiency, value, genuineness, ownership or transferability of the Escrow Fund, written instructions, or any other documents in connection therewith, and will not be regarded as making nor be required to make, any representations thereto.

The Escrow Bank may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, judgment, decree, bond, debenture, note, other evidence of indebtedness or other paper or document believed by them to be genuine and to have been signed or presented by the

proper party or parties, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein.

The liability of the Escrow Bank to make the payments required by this Agreement shall be limited to the moneys in the Escrow Fund.

No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Community Facilities District, pursuant to the provisions of this Agreement, unless such parties shall have offered to the Escrow Bank security or indemnity (satisfactory to the Escrow Bank in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction.

The Escrow Bank shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Bank. The Escrow Bank shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than this Agreement.

The Escrow Bank shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

The Escrow Bank shall not be liable for any amount in excess of the value of the Escrow Fund. The Escrow Bank shall not be liable for the accuracy of any calculations provided herein.

The Escrow Bank shall be entitled to request and receive written instructions from the Community Facilities District and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Escrow Bank in accordance with the written direction of the Community Facilities District.

If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Agreement, or the Escrow Bank is in doubt as to the action to be taken hereunder, the Escrow Bank may, at its option, after sending written notice of the same to the Community Facilities District, refuse to act until such time as it (a) receives a final non-appealable order of a court of competent jurisdiction directing delivery of the Escrow Fund or (b) receives a written instruction, executed by each of the parties involved in such disagreement or dispute, in a form reasonably acceptable to the Escrow Bank, directing delivery of the Escrow Fund. The Escrow Bank will be entitled to act on any such written instruction or final, non-appealable order of a court of competent jurisdiction without further question, inquiry or consent. The Escrow Bank may file an

interpleader action in a state or federal court, and upon the filing thereof, the Escrow Bank will be relieved of all liability as to the Escrow Fund and will be entitled to recover reasonable and documented out-of-pocket attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action.

Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

The Community Facilities District shall pay the Escrow Bank full compensation for its duties under this Agreement, including out-of-pocket costs such as publication costs, redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Notwithstanding anything to the contrary herein, the Escrow Bank shall have no duty to prepare or file any Federal or state tax report or return with respect to any funds held pursuant to this Agreement or any income earned thereon, except for the delivery and filing of tax information reporting forms required to be delivered and filed with the Internal Revenue Service, or any liability with respect to any such taxes.

SECTION 8. Notice of Defeasance and Payment of Refunded Bonds. The Community Facilities District hereby irrevocably instructs the Escrow Bank to file a notice of defeasance through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system in the form attached hereto as Schedule D following its receipt of the amount to be deposited to the Escrow Fund and the Defeasance Securities pursuant to Section 1(a) of this Agreement. The Community Facilities District hereby further irrevocably instructs the Escrow Bank to file a notice of redemption through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system in the form attached hereto as Schedule E not less than 30 days and not more than 60 days prior to September 1, 2024 as required by Section 4.02 of the Prior Indenture. The Escrow Bank acknowledges that upon the funding of the Escrow Fund as provided in this Agreement, the receipt of the Verification Report described in Section 1(b) of this Agreement and the receipt of the opinion of bond counsel as required by Section 10.02(b) of the Prior Indenture, it is in receipt of the items constituting all of the conditions precedent to the defeasance of the Refunded Bonds under the Prior Indenture.

SECTION 9. Amendments. This Agreement is made for the benefit of the Community Facilities District and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Bank and the Community Facilities District; provided, however, but only after the receipt by the Escrow Bank of an opinion of nationally recognized bond counsel that the exclusion from gross income of interest on the Refunded Bonds and the Bonds will not be adversely affected for federal income tax purposes, the Community Facilities District and the Escrow Bank may, without the consent of, or notice to, such holders, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the holders of the Refunded Bonds any

additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Bank; and (iii) to include under this Agreement additional funds, securities or properties. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 9, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 9.

SECTION 10. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the Refunded Bonds have been paid in accordance with this Agreement, or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank and all amounts owed to the Escrow Bank shall have been paid in full.

SECTION 11. Compensation. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to (including fees and expenses of counsel); provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien nor will it assert a lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Bank under this Agreement.

SECTION 12. Resignation or Removal of Escrow Bank.

(a) The Escrow Bank may resign and be discharged from its duties and obligations hereunder at any time by giving 30 calendar days prior written notice in writing to the Community Facilities District. The Escrow Bank may be removed (1) by (i) filing with the Community Facilities District and the Escrow Bank of an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid, and (ii) the Community Facilities District delivering written notice to the Escrow Bank, or (2) by a court of competent jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the Community Facilities District or the holders of 5% in aggregate principal amount of the Refunded Bonds then remaining unpaid.

(b) No resignation or removal of the Escrow Bank shall become effective until a successor Escrow Bank has been appointed hereunder and until the cash, Defeasance Securities and Substitute Defeasance Securities held under this Agreement are transferred to the new Escrow Bank. The Community Facilities District or the holders of a majority in principal amount of the Refunded Bonds then remaining unpaid may, by an instrument or instruments filed with the Community Facilities District, appoint a successor Escrow Bank who shall supersede any Escrow Bank theretofore appointed by the Community Facilities District. If no successor Escrow Bank is appointed by the Community Facilities District or the holders of such Refunded Bonds then remaining unpaid, within 45 calendar days after notice of any such resignation or removal, the holder of any such Refunded Bonds or any retiring Escrow Bank may (at the sole cost and expense of the Community Facilities District, including with respect to reasonable attorneys' fees and expenses) apply to a court of competent jurisdiction for the appointment of a successor Escrow Bank and any such resulting appointment or relief shall be binding upon all of the parties.

SECTION 13. Entire Agreement; Severability. This Agreement and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written. If any one or more of the covenants or agreements provided in this Agreement on the part of the Community Facilities District or the

Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 14. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 15. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 16. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Bank are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 17. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Community Facilities District, such consent not to be unreasonably withheld.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and attested as of the date and year first written above.

COMMUNITY FACILITIES DISTRICT
NO. 05-8 (SCOTT ROAD) OF THE
COUNTY OF RIVERSIDE

By: _____
Chair of the Legislative Body of
Community Facilities District No. 05-8
(Scott Road) of the County of Riverside

ATTEST:

Clerk of the Legislative Body of Community
Facilities District No. 05-8 (Scott Road) of the
County of Riverside

U.S BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Escrow Bank

By: _____
Authorized Officer

SCHEDULE A

REFUNDED BONDS

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate Per Annum</i>	<i>CUSIP</i>
2025	\$670,000	5.00%	76911F RY2
2028	1,310,000	5.00	76911F RZ9
2030	1,110,000	5.00	76911F SA3
2032	1,320,000	5.00	76911F SB1
2042	10,820,000	5.00	76911F SC9

SCHEDULE B

DEFEASANCE SECURITIES

<i>Purchase Date</i>	<i>Type of Security</i>	<i>Type of SLGS</i>	<i>Maturity Date</i>	<i>Par Amount</i>	<i>Rate</i>
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SCHEDULE C

ESCROW FUND CASH FLOW

	<i>Cash Deposit</i>	<i>Cash Disbursements From Escrow</i>	<i>Cash Balance</i>
Beginning Balance:			
TOTAL:			

SCHEDULE D

FORM OF NOTICE OF DEFEASANCE

**NOTICE OF DEFEASANCE OF
\$16,875,000
COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
SPECIAL TAX BONDS, SERIES 2013**

BASE CUSIP NO. 76911F

<i>CUSIP*</i>	<i>Maturity (September 1)</i>	<i>Amount</i>
RY2	2025	\$670,000
RZ9	2028	1,310,000
SA3	2030	1,110,000
SB1	2032	1,320,000
SC9	2042	10,820,000

Notice is hereby given to the holders of all of the outstanding \$16,875,000 Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Bonds, Series 2013 maturing on and after September 1, 2024, as listed above (the “Refunded Bonds”) (i) that there has been deposited with U.S. Bank Trust Company, National Association, as Escrow Bank (the “Escrow Bank”), moneys and securities under the Escrow Agreement, dated as of _____ 1, 2024 (the “Escrow Agreement”), by and between the Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the “Community Facilities District”) and the Escrow Bank, which will provide moneys sufficient and available to redeem on September 1, 2024, the Refunded Bonds, at a redemption price equal to the principal amount of the Refunded Bonds to be redeemed, plus interest accrued thereon to the date of redemption, without premium; (ii) that the Escrow Bank has been irrevocably instructed to redeem on September 1, 2024 such Refunded Bonds; and (iii) that the Refunded Bonds are deemed to be paid in accordance with Article X of the Indenture by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as Trustee, dated as of February 1, 2013, as supplemented, pursuant to which the Refunded Bonds were issued.

* The CUSIP numbers are included solely for the convenience of the Holders of the Refunded Bonds. Neither the Community Facilities District nor the Escrow Bank shall be responsible for any error of any nature relating to such numbers.

Dated this day ___ of ___, 2024.

COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD) OF THE COUNTY OF RIVERSIDE

U.S BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Escrow Bank

SCHEDULE E

**NOTICE OF REDEMPTION OF
\$16,875,000
COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
SPECIAL TAX BONDS, SERIES 2013**

BASE CUSIP NO. 76911F

<i>CUSIP*</i>	<i>Maturity (September 1)</i>	<i>Amount</i>
RY2	2025	\$670,000
RZ9	2028	1,310,000
SA3	2030	1,110,000
SB1	2032	1,320,000
SC9	2042	10,820,000

Notice is hereby given to the holders of all of the outstanding \$16,875,000 Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Bonds, Series 2013 maturing on and after September 1, 2024, as listed above (the “Refunded Bonds”) (i) that there has been deposited with U.S. Bank Trust Company, National Association, as Escrow Bank (the “Escrow Bank”), moneys and securities under the Escrow Agreement, dated as of _____ 1, 2024 (the “Escrow Agreement”), by and between the Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the “Community Facilities District”) and the Escrow Bank, which will provide moneys sufficient and available to redeem on September 1, 2024, the Refunded Bonds, at a redemption price equal to the principal amount of the Refunded Bonds to be redeemed, plus interest accrued thereon to the date of redemption, without premium; (ii) that the Escrow Bank has been irrevocably instructed to redeem on September 1, 2024 such Refunded Bonds; and (iii) that the Refunded Bonds are deemed to be paid in accordance with Article X of the Indenture by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as Trustee, dated as of February 1, 2013, as supplemented, pursuant to which the Refunded Bonds were issued.

The redemption price of the Refunded Bonds shall become due and payable on September 1, 2024 and after September 1, 2024 interest on such Refunded Bonds shall cease to accrue and be payable.

* The CUSIP numbers are included solely for the convenience of the Holders of the Refunded Bonds. Neither the Community Facilities District nor the Escrow Bank shall be responsible for any error of any nature relating to such numbers.

Dated this day ___ of ___, 2024.

COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD) OF THE COUNTY OF RIVERSIDE

U.S BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Escrow Bank

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “Disclosure Agreement”), dated as of _____ 1, 2024, is by and between the COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE, a community facilities district organized and existing under and by virtue of the laws of the State of California (the “Community Facilities District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”).

WITNESSETH:

WHEREAS, pursuant to the Indenture, dated as of February 1, 2013, by and between the Community Facilities District and the Trustee, as amended and supplemented by the First Supplemental Indenture, dated as of December 1, 2018, and the Second Supplemental Indenture, dated as of _____ 1, 2024, each by and between the Community Facilities District and the Trustee (as so amended and supplemented, the “Indenture”), the Community Facilities District has issued its Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024 (the “Series 2024 Bonds”), in the aggregate principal amount of \$ _____; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Community Facilities District and the Trustee for the benefit of the holders and beneficial owners of the Series 2024 Bonds and in order to assist the underwriter of the Series 2024 Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual premises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

“Annual Report” means any Annual Report provided by the Community Facilities District pursuant to, and as described in, Sections 2 and 3 hereof.

“Annual Report Date” means the date in each year that is the first day of the month following the ninth month after the end of the Community Facilities District’s fiscal year, which date, as of the date of this Disclosure Agreement, is April 1.

“Community Facilities District” means Community Facilities District No. 05-8 (Scott Road) of the County of Riverside, a community facilities district organized and existing under the laws of the State, and any successor thereto.

“Disclosure Representative” means the County Executive Officer or the Director of Finance of the County of Riverside, or such other person as the Community Facilities District shall designate in writing to the Trustee from time to time.

“Dissemination Agent” means the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Community Facilities District and which has filed with the Trustee a written acceptance of such designation.

“Financial Obligation” means (i) debt obligations, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, existing or planned debt obligations, or (iii) guarantee of (i) or (ii) above; but excluding municipal securities as to which a final official statement has been provided to MSRB consistent with the Rule.

“Indenture” means the Indenture, dated as of February 1, 2013, by and between the Community Facilities District and the Trustee, as amended and supplemented by the First Supplemental Indenture, dated as of December 1, 2018, and the Second Supplemental Indenture, dated as of _____ 1, 2024, each by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as Trustee, and as it may be amended or supplemented from time to time in accordance with its terms.

“Listed Events” means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

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

“Official Statement” means the Official Statement, dated _____, 2024, relating to the Series 2024 Bonds.

“Participating Underwriter” means the original underwriter of the Series 2024 Bonds required to comply with the Rule in connection with the offering of the Series 2024 Bonds.

“Rule” means 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.

“Trustee” means U.S. Bank Trust Company, National Association, as Trustee under the Indenture, or any successor thereto as Trustee thereunder, substituted in its place as provided therein.

Section 2. Provision of Annual Reports.

(a) The Community Facilities District shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2024-25 Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the Community Facilities District, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Community Facilities District’s fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the Community Facilities District shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Community Facilities District and the Dissemination Agent to determine if the Community Facilities District is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Trustee shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein;
and

(ii) file a report with the Community Facilities District and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided to the MSRB.

Section 3. Content of Annual Reports. The Community Facilities District's Annual Report shall contain or incorporate by reference the following:

(a) The Community Facilities District's audited financial statements, if any, 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 Community Facilities District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements, in a format similar to that used for the Community Facilities District's audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available.

(b) The following information:

(i) The principal amount of Series 2024 Bonds Outstanding and the principal amount of Bonds Outstanding as of the September 30 next preceding the Annual Report Date.

(ii) The balance in the Reserve Fund, and a statement of the Reserve Requirement as of the September 30 next preceding the Annual Report Date.

(iii) The aggregate assessed value of all parcels within the Community Facilities District on which the Special Taxes are levied in each property classification under the Rate and Method, as shown on the assessment roll of the Riverside County Assessor last equalized prior to the September 30 next preceding the Annual Report Date, the number of units in each property classification under the Rate and Method for the then current fiscal year, and a statement of assessed value-to-lien ratios therefor, either by individual parcel or by categories (e.g. "below 3:1", "3:1 to 4:1" etc.).

(iv) The Special Tax delinquency rate for all parcels within the Community Facilities District on which the Special Taxes are levied, as shown on the assessment roll of the

Riverside County Assessor last equalized prior to the September 30 next preceding the Annual Report Date, the number of parcels within the Community Facilities District on which the Special Taxes are levied and which are delinquent in payment of Special Taxes, as shown on the assessment roll of the Riverside County Assessor last equalized prior to the September 30 next preceding the Annual Report Date, the amount of each delinquency, the length of time delinquent and the date on which foreclosure was commenced, or similar information pertaining to delinquencies deemed appropriate by the Community Facilities District; provided, however, that parcels with aggregate delinquencies of \$5,000 or less (excluding penalties and interest) may be grouped together and such information may be provided by category.

(v) The status of foreclosure proceedings for any parcels within the Community Facilities District on which the Special Taxes are levied and a summary of the results of any foreclosure sales as of the September 30 next preceding the Annual Report Date.

(vi) The identity of any property owner representing more than 5% of the annual Special Tax levy who is delinquent in payment of such Special Taxes, as shown on the assessment roll of the Riverside County Assessor last equalized prior to the September 30 next preceding the Annual Report Date.

(c) In addition to any of the information expressly required to be provided under the preceding paragraphs (a) and (b), the Community Facilities District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Community Facilities District or related public entities, which have been made available to the public on the MSRB's website. The Community Facilities District shall clearly identify each such other document so included by reference.

Section 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024 Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).
- (vi) Tender offers.

- (vii) Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar event of the Community Facilities District.

For purposes of the event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Community Facilities District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Community Facilities District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Community Facilities District.

- (x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Community Facilities District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section, the Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024 Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

- (i) Unless described in paragraph (v) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2024 Bonds or other material events affecting the tax status of the Series 2024 Bonds.
- (ii) Modifications to rights of holders of the Series 2024 Bonds.
- (iii) Optional, unscheduled or contingent Series 2024 Bond calls.
- (iv) Release, substitution, or sale of property securing repayment of the Series 2024 Bonds.
- (v) Non-payment related defaults.
- (vi) The consummation of a merger, consolidation, or acquisition involving the Community Facilities District or the sale of all or substantially all of the assets of the Community Facilities, 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.
- (vii) Appointment of a successor or additional Trustee or the change of name of a Trustee.

- (viii) Incurrence of a Financial Obligation of the Community Facilities District, if material, or agreement to covenants, events of defaults, remedies, priority rights, or other terms of a Financial Obligation of the Community Facilities District, any of which affect security holders.

(c) The Trustee shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and inform such person of the event.

(d) If a Listed Event described in subsection (b) of this Section occurs, the Community Facilities District shall determine if such event would be material under applicable Federal securities law.

(e) If a Listed Event described in subsection (a) of this Section occurs, or if the Community Facilities District determines that the occurrence of a Listed Event described in subsection (b) of this Section would be material under applicable Federal securities law, the Community Facilities District shall, or shall cause the Dissemination Agent to, file a notice of the occurrence of such Listed Event with the MSRB, within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notices of Listed Events described in paragraph (vii) of subsection (a) of this Section and paragraph (iii) of subsection (b) of this Section need not be given any earlier than the notice (if any) of the underlying event is given to holders of affected Series 2024 Bonds pursuant to the Indenture.

Section 5. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The Community Facilities District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2024 Bonds. If such termination occurs prior to the final maturity of the Series 2024 Bonds, the Community Facilities District shall give notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The Community Facilities District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the Community Facilities District and the Trustee (if the Trustee is not the Dissemination Agent). The Dissemination Agent shall have no duty to prepare the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the Community Facilities District in a timely manner and in a form suitable for filing. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Community Facilities District and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Community Facilities District; provided, however, that the Trustee 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 the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsection (a) or (b) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2024 Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Series 2024 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Series 2024 Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Series 2024 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Community Facilities District shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Community Facilities District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Community Facilities District 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 required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Community Facilities District chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Community Facilities District 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 or any other event required to be reported.

Section 10. Default. In the event of a failure of the Community Facilities District, the Trustee or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% of the aggregate principal amount of the Outstanding Series 2024 Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee), or any Owner or Beneficial Owner of the Series 2024 Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Community Facilities District, the Trustee or the Dissemination Agent, as the case may be, to comply with its obligations under this

Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Community Facilities District, the Trustee or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. Neither the Trustee nor the Dissemination Agent shall be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent permitted by law, the Community Facilities District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, and which are not due to its negligence or its willful misconduct. The obligations of the Community Facilities District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2024 Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Community Facilities District, the Trustee, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Series 2024 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD) OF THE COUNTY OF
RIVERSIDE

By: _____
County Executive Officer of the County of Riverside

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Community Facilities District No. 05-8 (Scott Road) of the County of Riverside

Name of Bond Issue: Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024

Date of Issuance: _____, 2024

NOTICE IS HEREBY GIVEN that Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the “Community Facilities District”) has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of _____ 1, 2024, by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as Trustee. [The Community Facilities District anticipates that the Annual Report will be filed by _____, 20__.]

Dated: _____

U.S. Bank Trust Company, National Association, as Trustee, on behalf of the Community Facilities District No. 05-8 (Scott Road) of the County of Riverside

cc: Community Facilities District No. 05-8 (Scott Road) of the County of Riverside

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2024

NEW ISSUE

INSURED BONDS RATING: ___ “ ___ ”

UNDERLYING/UNINSURED BONDS RATING: ___ “ ___ ”

(See “MISCELLANEOUS — Ratings”)

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the 2024 Bonds described herein is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the 2024 Bonds is exempt from State of California personal income tax. See the caption “LEGAL MATTERS — Tax Matters” with respect to tax consequences relating to the 2024 Bonds, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022.

\$13,835,000*

**COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
SPECIAL TAX REFUNDING BONDS, SERIES 2024**

Dated: Date of Delivery

Due: September 1, as shown on the inside cover page

The Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Bonds, Series 2024 (the “2024 Bonds”) are being issued and delivered by Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the “District”) primarily to (i) refund the Community Facilities District’s outstanding 2013 Special Tax Bonds, originally issued in the aggregate principal amount of \$16,875,000 and currently outstanding in the aggregate principal amount of \$15,230,000 (the “2013 Bonds”), (ii) cause the reserve fund to equal the Reserve Requirement as of the date of issuance of the 2024 Bonds, (iii) purchase a municipal bond insurance policy with respect to the Insured Bonds (defined below), and (iv) pay the costs of issuance with respect to the 2024 Bonds. See “SOURCES AND USES OF FUNDS” herein. The District has been formed by and is located in the County of Riverside, California (the “County”).

The 2024 Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California), and pursuant to an Indenture, dated as of February 1, 2013, as supplemented by that certain First Supplement to Indenture, dated as of December 1, 2018, and as supplemented by that certain Second Supplement to Indenture, dated as of _____ 1, 2024 (collectively, the “Indenture”), each by and between the District and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as Trustee (the “Trustee”).

The 2024 Bonds are special obligations of the District and are payable solely from revenues derived from certain annual Special Taxes (as defined herein) to be levied on and collected from the owners of parcels within the District subject to the Special Tax and from certain other funds pledged under the Indenture, all as further described herein. The 2024 Bonds are payable from Special Taxes on a parity with the District’s 2018 Special Tax Bonds (the “2018 Bonds”), which are currently outstanding in the aggregate principal amount of \$5,120,000.

The Special Taxes are to be levied according to the rate and method of apportionment approved by the Board of Supervisors of the County and the qualified electors within the District. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.” The Board of Supervisors of the County is the legislative body of the District.

The 2024 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, New York, New York (“DTC”). Individual purchases may be made in principal amounts of \$5,000 and integral multiples thereof in book-entry form only. Purchasers of 2024 Bonds will not receive certificates representing their beneficial ownership of the 2024 Bonds but will receive credit balances on the books of their respective nominees. Interest on the 2024 Bonds will be payable semiannually on each March 1 and September 1, commencing on September 1, 2024. Principal of and interest on the 2024 Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who are to remit such payments to the beneficial owners of the 2024 Bonds. See “THE 2024 BONDS — General Provisions” and Appendix F — “BOOK-ENTRY AND DTC” herein.

Neither the faith and credit nor the taxing power of the County of Riverside, the State of California or any political subdivision thereof is pledged to the payment of the 2024 Bonds. Except for the Net Special Tax Revenues (as defined herein), no other taxes are pledged to the payment of the 2024 Bonds. The 2024 Bonds are special tax obligations of the District payable solely from Net Special Tax Revenues (as defined herein) and certain other amounts held under the Indenture as more fully described herein.

The 2024 Bonds are subject to optional redemption, mandatory redemption from Special Tax prepayments and mandatory sinking fund redemption prior to maturity as set forth herein. See “THE 2024 BONDS — Redemption” herein.

The scheduled payment of principal of and interest on the Bonds maturing on September 1 of the years 20__ through 20__, inclusive (the “Insured Bonds”), when due will be guaranteed under a municipal bond insurance policy to be issued by [Insurer] concurrently with the issuance of the Insured Bonds. See “INTRODUCTION — Bond Insurance” and “BOND INSURANCE.”

[INSURER LOGO]

Certain events could affect the ability of the District to pay the principal of and interest on the 2024 Bonds when due. The purchase of the 2024 Bonds involves significant investment risks, and the 2024 Bonds may not be a suitable investment for many investors. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the 2024 Bonds.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

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

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

[STIFEL LOGO]

Dated: _____, 2024.

* Preliminary, subject to change.
4857-9718-2373v10/022242-0100

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

\$ _____
**COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
SPECIAL TAX REFUNDING BONDS, SERIES 2024**

MATURITY SCHEDULE

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

Term Bond

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

† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither of the Underwriter, the County nor the District or their agents or counsel assume responsibility for the accuracy of such numbers.*

**COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)**

**COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

Board of Supervisors

Chuck Washington, Third District, Chair
V. Manuel Perez, Fourth District, Vice-Chair
Kevin Jeffries, First District
Karen Spiegel, Second District
Yxstian Gutierrez, Fifth District

County Officials

Jeffrey A. Van Wagenen Jr., County Executive Officer
Matt Jennings, Treasurer-Tax Collector
Ben Benoit, Auditor-Controller
Peter Aldana, Assessor-County Clerk-Recorder
Minh Tran, County Counsel
Don Kent, Director of Finance

SPECIAL SERVICES

Bond and Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Special Tax Consultant

Webb Municipal Finance LLC
Riverside, California

Trustee

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

No dealer, broker, salesperson or other person has been authorized by the County, the District, the Trustee or the Underwriter to give any information or to make any representations in connection with the offer or sale of the 2024 Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the County, the District, the Trustee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2024 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Beneficial Owners of the 2024 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board, or a nationally recognized municipal securities depository.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their 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 in Appendix F — “BOOK-ENTRY AND DTC” attached hereto has been furnished by The Depository Trust Company, and no representation has been made by the District or the County or the Underwriter as to the accuracy or completeness of such information.

The information set forth herein which has been obtained from third party sources is believed to be reliable but is not guaranteed as to accuracy or completeness by the County or the District. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or the District or any other parties described herein since the date hereof. All summaries of the Indenture or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the County for further information in connection therewith.

A wide variety of other information, including financial information, concerning the County, is available from publications and websites of the County and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement.

Cautionary Information Regarding Forward-Looking Statements in the Official Statement

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

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the Continuing Disclosure Agreement, a form of which is attached as Appendix D, neither the County nor the District plans to issue any updates or revisions to the forward-looking statements set forth in this Official Statement.

In connection with the offering of the 2024 Bonds, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of such bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2024 Bonds to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page hereof, and such public offering prices may be changed from time to time by the Underwriter.

The 2024 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The 2024 Bonds have not been registered or qualified under the securities laws of any state.

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[INSERT CFD MAP]

[INSERT REGIONAL MAP]

OFFICIAL STATEMENT

\$13,835,000*
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
SPECIAL TAX REFUNDING BONDS, SERIES 2024

INTRODUCTION

General

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 appendices, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of 2024 Bonds (defined below) to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Definitions” herein.

The purpose of this Official Statement, which includes the cover page, the inside cover page, the table of contents and the attached appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the “District”) of the \$13,835,000* Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024 (the “2024 Bonds”). The proceeds of the 2024 Bonds, together with certain existing funds of the District, will be used to (i) defease and refund all of the outstanding Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2013, originally issued in the aggregate principal amount of \$16,875,000 and currently outstanding in the aggregate principal amount of \$15,230,000 (the “2013 Bonds”), (ii) cause the balance in the reserve fund to equal the Reserve Requirement upon issuance of the 2024 Bonds, (iii) purchase a municipal bond insurance policy for the Insured Bonds (as defined under the caption “— Bond Insurance”), and (iv) pay costs of issuance of the 2024 Bonds. See “SOURCES AND USES OF FUNDS” herein.

The 2024 Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California) (the “Act”), and an Indenture dated as of February 1, 2013, (the “2013 Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as Trustee (the “Trustee”), as supplemented by the First Supplement to Indenture, by and between the District and the Trustee, dated as of December 1, 2018 (the “First Supplement,”) and the Second Supplement to Indenture, by and between the District and the Trustee, dated as of _____ 1, 2024 (the “Second Supplement,” and, together with the 2013 Indenture, and the First Supplement, the “Indenture”). Upon their issuance, the 2024 Bonds will be secured under the Indenture by a pledge of and lien upon Net Special Tax Revenues (as defined herein) and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund as described in the Indenture.

The 2024 Bonds are payable from Net Special Tax Revenues on a parity with the District’s Special Tax Bonds, Series 2018, originally issued in the aggregate principal amount of \$5,120,000 and currently outstanding in the aggregate principal amount of \$5,120,000 (the “2018 Bonds”). Under the terms of the Indenture, under certain conditions the District may issue additional bonds secured by the Net Special Tax Revenues of the District on a parity with the 2018 Bonds and 2024 Bonds (“Additional Bonds”). See

* Preliminary, subject to change.

“SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds.” The term “Bonds” means the 2018 Bonds and the 2024 Bonds together with any Additional Bonds.

The District

Formation Proceedings. The District was formed by the County of Riverside, California (the “County”) pursuant to the Act.

The Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election of the property owners within such district and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, the Board of Supervisors of the County adopted the necessary resolutions stating its intent to establish the District, to authorize the levy of Special Taxes on taxable property within the boundaries of the District, and to have the District incur bonded indebtedness. Following public hearings conducted pursuant to the provisions of the Act, the Board of Supervisors of the County adopted resolutions establishing the District and calling special elections to submit the levy of the Special Taxes and the incurring of bonded indebtedness to the qualified voters of the District. On April 18, 2006, at an election held pursuant to the Act, the landowners who comprised the qualified voters of the District, authorized the District to incur bonded indebtedness in an aggregate principal amount not to exceed \$100,000,000 and approved the rate and method of apportionment of the Special Taxes for the District (the “Rate and Method”) to pay the principal of and interest on the bonds of the District. The Rate and Method is set forth in Appendix A hereto. The Board of Supervisors of the County acts as the legislative body of the District.

The District was formed to finance various public improvements needed as a result of the proposed development within the District, including the widening of the interchange at Interstate 215, the widening of sections of Scott Road and construction of other road facilities authorized under the County’s Transportation Uniform Mitigation Fee program (the “Facilities”). The 2013 Bonds were issued to finance the widening of a section of Scott Road and to refund the District’s previously-issued Special Tax Bonds, Series 2008 (the “2008 Bonds”), and the 2018 Bonds were issued to finance additional Facilities. The 2024 Bonds will refund all of the outstanding 2013 Bonds. See “THE COMMUNITY FACILITIES DISTRICT — Description of Authorized Facilities; Facilities Financing Plan.” Additional Bonds may be issued to fund additional Facilities after further development occurs. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds” and “SPECIAL RISK FACTORS — Effect of Additional Bonds on Credit Quality.” The County has determined that the Facilities are regional transportation facilities necessary to support development in the District and surrounding areas.

[As a condition to development, the County is requiring each of the landowners proposing development in a designated area to join the District. Future annexations of other developments may occur. The County has adopted Local Goals and Policies for Land Secured Financing Districts, which establish several categories of community facilities districts that will be used by the County to finance various types of public facilities. The District fits within the category known as a “Critical Transportation Corridor Improvement Program Community Facilities District” (a “CTCIP CFD”) established to finance the Facilities. See “THE 2024 BONDS — Authority for Issuance” and “THE COMMUNITY FACILITIES DISTRICT — Description of Authorized Facilities; Facilities Financing Plan.”]

Development Status. The District consists of a number of noncontiguous properties located in part in the newly incorporated City of Menifee and in part in an unincorporated portion of the County approximately

10 miles north of the City of Temecula, 35 miles southeast of the City of Riverside, 90 miles southeast of the City of Los Angeles, and 60 miles north of the City of San Diego. The District is located on both the east and west sides of Interstate 215 which is a major freeway connecting the cities of Riverside and San Diego.

The District is comprised of approximately 1,344 gross acres which is expected to be developed into approximately 758 residential acres, approximately 295 acres of street areas, approximately 229 acres of open space and drainage, approximately 49 acres of park space and approximately 13 acres of detention basins. The District may also contain a school of approximately 12 acres. Based on existing zoning and land use entitlements approved by or being processed by the County, the County estimates that the land within the District has a potential build out of approximately 4,963 residential units consisting of 3,174 single family detached units and 1,789 attached units.

For the Fiscal Year 2023-24 Special Tax levy, there were 1,760 parcels within the District classified as Developed Property which were levied at the Assigned Special Tax rates under the Rate and Method, comprised of 1,759 completed single family attached and detached residential units which have been completed and conveyed to individual homeowners, and one completed multi-family apartment complex. All of such units are classified as Developed Property under the Rate and Method for the Fiscal Year 2023-24 and are expected to continue to be levied at the Assigned Special Tax rates. Special Taxes from Developed Property are expected to be at least 110% of maximum annual debt service on the 2018 Bonds and the 2024 Bonds plus administrative expenses of the District. However, Additional Bonds may be issued under certain conditions on a parity with the 2018 Bonds and the 2024 Bonds which could potentially cause part of or all of the 2018 Bonds and the 2024 Bonds to be expected to be payable from Special Taxes on Approved Property and Undeveloped Property (as such terms are defined in the Rate and Method). See “THE COMMUNITY FACILITIES DISTRICT,” “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds” and “SPECIAL RISK FACTORS — Effect of Additional Bonds on Credit Quality.”

Additionally, as of January 1, 2024, within the District there are 30 parcels which would be classified as Undeveloped Property (as such term is defined in the Rate and Method) for Fiscal Year 2024-25 assuming no development, totaling approximately 627.80 acres. Such parcels are not expected to be levied by the District until such parcels become Developed Property under the Rate and Method or Additional Bonds are issued; however, if insufficient Special Taxes are projected to be received from Developed Property, the District will also levy Special Taxes on Undeveloped Property. See “THE COMMUNITY FACILITIES DISTRICT” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds.”

During Fiscal Year 2007-08, four parcels consisting of approximately 12.41 acres within Final Tract Map No. 12598 were annexed into the District (“Annexation No. 1”). The Annexation No. 1 parcels are owned by Cantabria Development, successor in interest to Fairfield Holland Road LLC (“Fairfield Holland”). Fairfield Holland developed the property within Annexation No. 1 into 230 multi-family apartments. Cantabria Development is the largest taxpayer in the District in Fiscal Year 2023-24 and is projected to be responsible for approximately 9.77% of the projected Fiscal Year 2024-25 Special Tax levy. See “THE COMMUNITY FACILITIES DISTRICT — Largest Taxpayers” and “SPECIAL RISK FACTORS – Concentration of Ownership.”

In addition to Annexation No. 1, there is a possibility of future annexation of property into the District, although no annexations are underway or planned at this time. See “THE COMMUNITY FACILITIES DISTRICT — General Description; Potential Annexations” herein.

According to the Riverside County Assessor’s Office Certified Roll for Fiscal Year 2023-24, the assessed value of the property within the District classified as Developed Property for the Fiscal Year 2023-24 Special Tax levy was \$876,834,948 resulting in an estimated assessed value-to-lien ratio of 17.53*-to-1 for property classified as Developed Property in Fiscal Year 2023-24 based on the principal amount of the 2018

* Preliminary, subject to change.

Bonds and the 2024 Bonds (allocated to each parcel of Developed Property within the District based on the proportion of the projected Fiscal Year 2024-25 Special Taxes on such parcels) and other overlapping land-secured debt on such property. See “THE COMMUNITY FACILITIES DISTRICT — Estimated Assessed Value-to-Lien Ratios” herein. Additionally, the Fiscal Year 2023-24 assessed value of all the taxable property within the District was \$918,249,434 resulting in an estimated assessed value-to-lien ratio of 18.36* to-1 for all the taxable property within the District based on the principal amount of the 2018 Bonds and the 2024 Bonds and other overlapping land-secured debt. See “THE COMMUNITY FACILITIES DISTRICT — Estimated Assessed Value-to-Lien Ratios” herein.

Security and Sources of Payment for the Bonds

General. The 2024 Bonds are limited obligations of the District, and the interest on and principal of and redemption premiums, if any, on the 2024 Bonds are payable solely from Net Special Tax Revenues (described below) to be levied annually against the property in the District, and other amounts on deposit in the Special Tax Fund, the Bond Fund and the Reserve Fund. The 2024 Bonds are secured on a parity with the District’s outstanding 2018 Bonds. As described herein, the Special Taxes are collected along with *ad valorem* property taxes on the tax bills mailed by the Treasurer-Tax Collector of Riverside County. Although the Special Taxes will constitute a lien on the property subject to taxation in the District, they will not constitute a personal indebtedness of the owners of such property. There is no assurance that such owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if they are financially able to do so.

Net Special Tax Revenues. Under the Indenture, the District has pledged to repay the 2024 Bonds from Net Special Tax Revenues and other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund established under the Indenture, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein. Net Special Tax Revenues consist of Special Tax Revenues less the amount required to pay Administrative Expenses. Special Tax Revenues are defined in the Indenture to include the proceeds of the Special Taxes received by or on behalf of the District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes and proceeds of any security for payment of Special Taxes taken in lieu of foreclosure after payment of administrative costs and attorneys’ fees payable from proceeds of such redemption, sale or security.

The Net Special Tax Revenues are the primary security for the repayment of the 2024 Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the 2024 Bonds are amounts held by the Trustee in the Special Tax Fund, the Bond Fund and the Reserve Fund. Amounts held in the Rebate Fund and the Administrative Expense Fund are not available to pay the debt service on the 2024 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

The 2024 Bonds are payable on a parity with the 2018 Bonds from Net Special Tax Revenues and from certain other funds pledged under the Indenture. Under the terms of the Indenture, under certain conditions the District may issue additional bonds secured by the Net Special Tax Revenues of the District on a parity with the 2018 Bonds and the 2024 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds.”

Proceeds of Foreclosure Sales. Pursuant to Section 53356.1 of the Act and the Indenture, the District will covenant in the Indenture with and for the benefit of the Owners of the 2024 Bonds and any Additional Bonds issued pursuant to the Indenture that the District will commence appropriate judicial foreclosure proceedings against parcels with total Special Tax delinquencies in excess of \$5,000 (not including interest and penalties thereon) by the October 1 following the close of each Fiscal Year in which the last of such Special Taxes were due and will commence appropriate judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied in such Fiscal Year, and diligently

pursue to completion such foreclosure proceedings. However, notwithstanding the foregoing, the District may elect to accept payment from a property owner of at least the enrolled amount but less than the full amount of the penalties, interest, costs and attorneys' fees related to a Special Tax delinquency, if permitted by law. Additionally, notwithstanding the foregoing, in certain instances the amount of a Special Tax delinquency on a particular parcel is so small that the cost of appropriate foreclosure proceedings will far exceed the Special Tax delinquency and in such cases foreclosure proceedings may be delayed by the District until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the foreclosure proceedings cost. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Proceeds of Foreclosure Sales."

There is no assurance that the property within the District can be sold for the assessed values described herein, or for a price sufficient to pay the principal of and interest on the 2024 Bonds in the event of a default in payment of Special Taxes by the current or future landowners within the District. See "SPECIAL RISK FACTORS — Property Values; Value-to-Lien Ratios" herein.

EXCEPT FOR THE NET SPECIAL TAX REVENUES AND AMOUNTS HELD IN THE SPECIAL TAX FUND, THE BOND FUND AND THE RESERVE FUND, NO OTHER FUNDS ARE PLEDGED TO THE PAYMENT OF THE 2024 BONDS. THE 2024 BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE COUNTY BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET SPECIAL TAX REVENUES AND AMOUNTS HELD IN THE SPECIAL TAX FUND, THE BOND FUND AND THE RESERVE FUND UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE COUNTY, OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE 2024 BONDS.

Under the terms of the Indenture, under certain conditions the District may issue Additional Bonds secured by the Net Special Tax Revenues of the District on a parity with the 2018 Bonds and the 2024 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds."

Description of the 2024 Bonds

The 2024 Bonds will be issued and delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the 2024 Bonds (the "Beneficial Owners") in the denominations of \$5,000 and integral multiples thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the 2024 Bonds. In the event that the book-entry only system described herein is no longer used with respect to the 2024 Bonds, the 2024 Bonds will be registered and transferred in accordance with the Indenture. See Appendix F — "BOOK-ENTRY AND DTC" herein.

Principal of, premium, if any, and interest on the 2024 Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the 2024 Bonds, the Beneficial Owners will become the registered owners of the 2024 Bonds and will be paid principal and interest by the Trustee, all as described herein. See Appendix F — "BOOK-ENTRY AND DTC" herein.

The 2024 Bonds are subject to optional redemption, mandatory redemption from Special Tax prepayments and mandatory sinking fund redemption as described herein. For a more complete description of the 2024 Bonds and the basic documentation pursuant to which they are being sold and delivered, see "THE 2024 BONDS" and Appendix C — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein.

Professionals Involved in the Offering

U.S. Bank Trust Company, National Association, Los Angeles, California, will act as Trustee under the Indenture (as defined herein), and will also act as Escrow Bank under the Escrow Agreement (defined herein). Stifel, Nicolaus & Company, Incorporated, is the Underwriter of the Bonds. Certain proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel and Disclosure Counsel. See Appendix E — “FORM OF OPINION OF BOND COUNSEL.” Fieldman, Rolapp & Associates, Inc. is acting as Municipal Advisor to the County in connection with the 2024 Bonds. Certain legal matters will be passed upon for the County and the District by County Counsel, and for the Underwriter by Anzel Galvan LLP, as Underwriter’s Counsel. Other professional services have been performed by Webb Municipal Finance LLC, as Special Tax Consultant. Robert Thomas CPA, LLC (the “Verification Agent”) will provide escrow verification services.

For information concerning the respects in which certain of the above-mentioned professionals, advisors, counsel and agents may have a financial or other interest in the offering of the 2024 Bonds, see “MISCELLANEOUS — Financial Interests” herein.

Bond Insurance

The scheduled payment of principal of and interest on the 2024 Bonds maturing on September 1 of the years 20__ through 20__, inclusive (the “Insured Bonds”), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds (the “Insurance Policy”) by _____ (“_____” or the “Insurer”). See “BOND INSURANCE” and APPENDIX H.

Continuing Disclosure

The District will enter into a Continuing Disclosure Agreement, dated as of _____ 1, 2024, with the Trustee (the “Continuing Disclosure Agreement”) pursuant to which the District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) system certain annual financial information and operating data. The District will further agree to provide notice of certain listed events. These covenants will be made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). See “CONTINUING DISCLOSURE” herein and Appendix D hereto for a description of the specific nature of the annual reports to be filed by the District and notices of listed events to be provided by the District. Except as described herein, within the last five years, the District has not failed to comply in all material respects with any of its prior continuing disclosure obligations under Rule 15c2-12(b)(5). See “CONTINUING DISCLOSURE.”

Bond Owners’ Risks

Certain events could affect the timely repayment of the principal of and interest on the 2024 Bonds when due. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the 2024 Bonds. The 2024 Bonds are not rated by any nationally recognized rating agency. See “SPECIAL RISK FACTORS” herein.

Other Information

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

Brief descriptions of the 2024 Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the 2024 Bonds and the constitution and laws of the State as well as the proceedings of the Board of

Supervisors of the County, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the 2024 Bonds, by reference to the Indenture.

Copies of the Indenture, the Continuing Disclosure Agreement and other documents and information referred to herein are available for inspection and (upon request and payment to the County of a charge for copying, mailing and handling) for delivery from the Trustee at 633 W. Fifth Street, 24th Floor, Los Angeles, CA 90071, Attention: _____.

PLAN OF REFUNDING

The 2024 Bonds are being issued primarily for the purpose of refunding all of the outstanding 2013 Bonds. Concurrently with the issuance of the 2024 Bonds, the District and U.S. Bank Trust Company, National Association, as trustee for the 2013 Bonds and as escrow bank (the “Escrow Bank”), will enter into an Escrow Agreement, dated as of _____ 1, 2024, relating to the 2013 Bonds (the “Escrow Agreement”). A portion of the proceeds derived from the sale of the 2024 Bonds, together with moneys held in certain funds and accounts relating to the 2013 Bonds, will be deposited in an escrow fund (the “Escrow Fund”) established for the 2013 Bonds pursuant to the Escrow Agreement. The aggregate amount of such deposits will be sufficient to redeem the outstanding 2013 Bonds on September 1, 2024 at a redemption price equal to 100% of the principal amount thereof plus the interest accrued thereon to such redemption date. The moneys held in the Escrow Fund will be held uninvested or invested in non callable direct obligations of the United States Treasury or other non-callable obligations, the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America (the “Securities”) and will be pledged solely for the redemption of the 2013 Bonds. Cash and securities deposited in the Escrow Fund will not be available for the payment of the 2024 Bonds, nor will any interest or other earnings thereon be available for such payment.

The Verification Agent, upon delivery of the 2024 Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided and prepared by the Underwriter, relating to the sufficiency of cash and securities deposited into the Escrow Fund to pay, when due, the principal, whether at maturity or upon prior redemption, and interest requirements of the 2013 Bonds.

The report of the Verification Agent will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of its report.

SOURCES AND USES OF FUNDS

The proceeds from the sale of the 2024 Bonds will be deposited into the following respective accounts and funds established by the District under the Indenture, as follows:

Sources:

Principal Amount of Bonds
Plus/Less Original Issue Premium/Discount
District Moneys⁽¹⁾
Total Sources

Uses:

Deposit into Escrow Fund
Deposit into Reserve Fund⁽²⁾
Deposit into Costs of Issuance Fund⁽³⁾
Underwriter's Discount
Total Uses

⁽¹⁾ Includes moneys held in funds and accounts with respect to the 2013 Bonds.

⁽²⁾ Equal to the amount required to increase the balance on deposit in the Reserve Fund to the Reserve Requirement as of the date of delivery of the 2024 Bonds.

⁽³⁾ Includes, among other things, the fees and expenses of Bond Counsel, Disclosure Counsel, Trustee, Escrow Bank Special Tax Consultant and Municipal Advisor, the premium on the Insurance Policy, rating agency fees, and other related costs, the cost of printing the preliminary and final Official Statements.

BOND INSURANCE

[TO COME].

THE 2024 BONDS

Authority for Issuance

The 2024 Bonds will be issued pursuant to the Act, the Indenture and the Resolution Authorizing Issuance of the 2024 Bonds adopted by the Board of Supervisors of the County of Riverside, acting as the legislative body of the District (the "Legislative Body"), on April 30, 2024, as Resolution No. CFD 2024-__.

As required by the Act, the Legislative Body has taken the following actions with respect to establishing the District and authorizing issuance of the 2024 Bonds:

Resolutions of Intention: On February 28, 2006, the Board of Supervisors adopted Resolution No. 2006-072 stating its intention to establish the District and to authorize the levy of a special tax therein pursuant to the Rate and Method. On February 28, 2006, the Board of Supervisors adopted Resolution No. 2006-073 stating its intention to incur bonded indebtedness in an amount not to exceed \$100,000,000 with respect to the District. The District proceedings authorize Special Taxes to be used to pay directly for Facilities. See "THE COMMUNITY FACILITIES DISTRICT — Description of Authorized Facilities; Facilities Financing Plan."

Resolution of Formation: Following a noticed public hearing on April 4, 2006, the Board of Supervisors adopted Resolution No. 2006-092 (the "Resolution of Formation"), establishing the District and authorizing the levy of a special tax within the District pursuant to the Rate and Method. Resolution No. 2006-092 also called an election for the purpose of submitting the propositions to incur bonded indebtedness, to levy a special tax within the District and to establish an appropriations limit for the District to the qualified electors of the District.

Resolution of Necessity: On April 4, 2006, the Board of Supervisors, acting as the Legislative Body of the District, adopted Resolution No. CFD 2006-02 deeming it necessary to incur bonded indebtedness in an amount not to exceed \$100,000,000 within the District.

Landowner Election and Declaration of Results: On April 18, 2006, a special election was held within the District, in which the landowners eligible to vote, being the qualified electors, approved the ballot proposition to incur bonded indebtedness in a maximum amount of \$100,000,000, to levy a special tax within the District and to establish an appropriations limit for the District.

On April 25, 2006, the Legislative Body adopted Resolution No. CFD 2006-03 declaring the results of the special election.

Ordinance Levying Special Taxes: On May 2, 2006, the Board of Supervisors adopted Ordinance No. 852 (the “Ordinance”) authorizing the levy of the Special Tax within the District.

Special Tax Lien and Levy: A Notice of Special Tax Lien for the District was recorded in the real property records of the County on May 4, 2006, as Document No. 2006-0323346.

General Provisions

The 2024 Bonds will be dated their date of delivery and will bear interest at the rates per annum set forth on the inside cover page hereof, payable semiannually on each March 1 and September 1, commencing on September 1, 2024 (each, an “Interest Payment Date”), and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The 2024 Bonds will be issued in fully registered form without coupons in denominations of \$5,000 and integral multiples thereof. So long as the 2024 Bonds are held in book-entry form, principal and interest on the 2024 Bonds will be paid to DTC for subsequent disbursement to DTC Participants who are to remit such payments to the Beneficial Owners in accordance with DTC procedures. See Appendix F — “BOOK-ENTRY AND DTC.”

Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on any 2024 Bond will be payable from the Interest Payment Date next preceding the date of authentication of that 2024 Bond, unless (i) a 2024 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon shall be payable from such Interest Payment Date, (ii) a 2024 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any 2024 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for.

Interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the 2024 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date, or by wire transfer at the written request of an Owner of not less than \$1,000,000 aggregate principal amount of 2024 Bonds, which written request is received by the Trustee on or prior to the preceding Record Date.

The principal of the 2024 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

The 2024 Bonds are payable on a parity with the 2018 Bonds from Net Special Tax Revenues and from certain other funds pledged under the Indenture. Under the terms of the Indenture, under certain conditions the District may issue, and the District anticipates issuing, additional bonds secured by the Net Special Tax Revenues of the District on a parity with the 2018 Bonds and the 2024 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds.”

Debt Service Schedule

The following table presents the annualized debt service on the 2024 Bonds and the 2018 Bonds, assuming, in either case, there are no redemptions prior to maturity other than mandatory sinking fund redemptions. However, it should be noted that the Rate and Method allows prepayment of the Special Taxes in full or in part and the Indenture requires redemption of Bonds on any Interest Payment Date from the proceeds of any prepayments of Special Taxes. Additionally, the 2024 Bonds are subject to optional redemption as described herein. See “THE 2024 BONDS — Redemption.”

<i>Bond Year Ending September 1</i>	<i>2024 Bonds Principal</i>	<i>2024 Bonds Interest</i>	<i>Total 2024 Bonds Annual Debt Service</i>	<i>Total 2018 Bonds Annual Debt Service</i>	<i>Total Annual Debt Service⁽¹⁾</i>
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
Total					

⁽¹⁾ Equal to the sum of the amounts under the columns “Total 2024 Bonds Annual Debt Service” and “Total 2018 Bonds Annual Debt Service.”
Source: Underwriter.

Redemption

Optional Redemption*. The 2024 Bonds may be redeemed, at the option of the District, from any source of funds, other than prepayments of Special Taxes, prior to their stated maturities, on any date on or after September 1, 20__, in whole, or in part in Authorized Denominations (in such amounts and maturities as may be designated by the District, with the particular Bonds of such maturities to be selected by the Trustee by lot), at the following redemption prices expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

* Preliminary, subject to change

<i>Redemption Dates</i>	<i>Redemption Prices</i>
September 1, 20__ and March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

In the event the District elects to redeem 2024 Bonds as provided above, the District shall give written notice to the Trustee of its election to so redeem, the redemption date and the maturity dates of the 2024 Bonds to be redeemed. The notice to the Trustee shall be given at least 45 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

Mandatory Sinking Fund Redemption. The 2024 Bonds maturing on September 1, 20__ shall be called before maturity and redeemed, from the sinking fund payments that have been deposited into the Principal Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of sinking fund payments set forth below. The Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

<i>Redemption Dates (September 1)</i>	<i>Principal Amount</i>
---	-------------------------

(maturity)

If the District purchases Term Bonds and delivers them to the Trustee at least 45 days prior to an applicable redemption date, the principal amount of the Term Bonds so purchased shall be credited to reduce the sinking fund payment due on such redemption date for the applicable maturity of the Term Bonds. All Term Bonds purchased by the District and delivered to the Trustee shall be cancelled pursuant to the Indenture.

In the event of a partial optional redemption or special mandatory redemption of Term Bonds, each of the remaining sinking fund payments for such Term Bonds, as described above, will be reduced, as nearly as practicable, on a pro rata basis.

Mandatory Redemption from Special Tax Prepayments. The 2024 Bonds are subject to redemption as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date on and after March 1, 20__ from the proceeds of the prepayment of the Special Taxes deposited in the Redemption Fund pursuant to the Indenture and amounts transferred from the Reserve Fund in connection with such prepayment. Such extraordinary mandatory redemption of the 2024 Bonds shall be at the following redemption prices (expressed as percentages of the principal amount of the 2024 Bonds to be redeemed), together with accrued interest thereon to the date of redemption:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
September 1, 20__ through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 202__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

Mandatory redemption of Bonds from Special Tax prepayments may result in the reduction in the otherwise expected yield on such Bonds if the Bonds were purchased at a price greater than par. See “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Special Tax Prepayments.”

Notice of Redemption. So long as the 2024 Bonds are held by DTC, all notices of redemption will be sent only to DTC in accordance with its procedures and will not be delivered to any Beneficial Owner. The Trustee is obligated to mail, at least 30 days but not more than 60 days prior to the date of redemption, notice of intended redemption, by first-class mail, postage prepaid, to the original purchasers of the 2024 Bonds and the registered Owners of the 2024 Bonds at the addresses appearing on the Bond registration books. The notice of redemption must: (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the 2024 Bonds selected for redemption; (ii) state the date fixed for redemption and surrender of the 2024 Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the 2024 Bonds are to be redeemed; (v) state the date of the notice; (vi) state that interest on the 2024 Bonds selected for redemption will not accrue from and after the date fixed for redemption; and (vii) state any other descriptive information needed to identify accurately the 2024 Bonds being redeemed as shall be specified by the Trustee.

So long as notice by first class mail has been provided as set forth above, the actual receipt by the Owner of any 2024 Bond of notice of such redemption is not a condition precedent to redemption. Neither the failure to receive such notice nor any defect in such notice will affect the validity of the proceedings for redemption of such 2024 Bonds or the cessation of interest on the date fixed for redemption.

With respect to any notice of any optional redemption of 2024 Bonds, unless at the time such notice is given the 2024 Bonds to be redeemed shall be deemed to have been paid within the meaning of the Indenture, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the principal of and premium, if any, on the 2024 Bonds on the date fixed for redemption (the “Redemption Price”), and accrued interest on, the 2024 Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the District shall not be required to redeem such 2024 Bonds. In the event a notice of redemption of 2024 Bonds contains such a condition and such moneys are not so received, the redemption of 2024 Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of 2024 Bonds pursuant to such notice of redemption.

Effect of Redemption. When notice has been mailed as provided in the Indenture, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside with the Trustee, the 2024 Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said 2024 Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the 2024 Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said 2024 Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of 2024 Bonds shall be held in trust for the account of the Owners of the 2024 Bonds so to be redeemed without liability to such Owners for interest thereon.

Registration, Transfer and Exchange

Registration. The Trustee will keep sufficient books for the registration and transfer of the 2024 Bonds. The ownership of the 2024 Bonds will be established by the bond registration books held by the Trustee.

Transfer or Exchange. Whenever any Bond is surrendered for registration of transfer or exchange, the District shall execute and Trustee will authenticate and deliver a new 2018 Bond or 2024 Bond of the same maturity, for a like aggregate principal amount of authorized denominations; provided that the Trustee will not be required to register transfers or make exchanges of (i) 2024 Bonds for a period of 15 days next preceding the date of any selection of the 2024 Bonds to be redeemed, or (ii) any 2024 Bonds chosen for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Covenants and Warranties

The District will covenant in the Indenture to comply with the covenants and warranties therein, which will be in full force and effect upon the issuance of the 2024 Bonds. See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Covenants.”

Limited Obligations

The 2024 Bonds are limited obligations of the District, and the interest on and principal of and redemption premiums, if any, on the 2024 Bonds are payable on a parity with the 2018 Bonds from Net Special Tax Revenues (described below) to be levied annually against the property in the District, and other amounts on deposit in the Special Tax Fund, the Bond Fund and the Reserve Fund.

Under the Indenture, the District has pledged to repay the 2024 Bonds and 2018 Bonds from Net Special Tax Revenues and other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund established under the Indenture, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein. Net Special Tax Revenues consist of Special Tax Revenues less the amount required to pay Administrative Expenses. Special Tax Revenues are defined in the Indenture to include the proceeds of the Special Taxes received by or on behalf of the District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes and any proceeds of any security for payment of Special Taxes taken in lieu of foreclosure after payment of administrative costs and attorneys’ fees payable from proceeds of such redemption, sale or security.

The Net Special Tax Revenues are the primary security for the repayment of the 2024 Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the 2024 Bonds and 2018 Bonds are amounts held by the Trustee in the Special Tax Fund, the Bond Fund and the Reserve Fund. Amounts held in the Rebate Fund and the Administrative Expense Fund are not available to pay the debt service on the 2024 Bonds or the 2018 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

EXCEPT FOR THE NET SPECIAL TAX REVENUES AND AMOUNTS HELD IN THE SPECIAL TAX FUND, THE BOND FUND AND THE RESERVE FUND, NO OTHER FUNDS ARE PLEDGED TO THE PAYMENT OF THE 2024 BONDS. THE 2024 BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE COUNTY BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET SPECIAL TAX REVENUES AND AMOUNTS HELD IN THE SPECIAL TAX FUND, THE BOND FUND AND THE RESERVE FUND UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE COUNTY, OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE 2024 BONDS.

Collection of Special Taxes

The Rate and Method provides that the Special Taxes are payable and will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that the County may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

Because the Special Tax levy is limited to the Maximum Special Tax rates set forth in the Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the receipt of Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay debt service on the Bonds.

Although the Special Taxes, when levied, will constitute a lien on parcels subject to taxation, they do not constitute a personal indebtedness of the owners of property. There is no assurance that the owners of real property will be financially able to pay the annual Special Tax or that they will pay such tax even if financially able to do so. See also, "SPECIAL RISK FACTORS" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2024 BONDS. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE 2024 BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE COUNTY NOR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Rate and Method

General. On April 4, 2006, the Board of Supervisors established the District. The District is authorized to levy and collect the Special Tax to finance the Facilities pursuant to and in accordance with the Rate and Method, a copy of which is set forth in Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE." Capitalized terms used under this caption "Rate and Method" shall have the meanings set forth in the Rate and Method attached as Appendix A.

The qualified electors of the District approved the Rate and Method at an election held on April 18, 2006.

Rate and Method. The Rate and Method contains the provisions by which the Legislative Body may annually levy the Special Taxes on Taxable Property within the District up to the applicable Maximum Special Tax to pay for the Special Tax Requirement. The Bonds will be secured by the annual Special Taxes levied pursuant to the Rate and Method. The Rate and Method provides that the Special Tax shall be levied for the period necessary to satisfy the Special Tax Requirement, but in no event shall it be levied after Fiscal Year 2049-50 or the stated maturity of the Bonds, whichever is sooner.

Special Tax Requirement. The Special Tax Requirement is defined in the Rate and Method as the amount required in any Fiscal Year to pay: (i) annual debt service on all outstanding Bonds due in the calendar year which commences in such Fiscal Year, (ii) periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds, (iii) Administrative Expenses, (iv) an amount equal to any shortfall due to Special Tax delinquencies experienced in the prior Fiscal Year, (v) for acquisition or construction of Facilities, provided such amount does not cause an increase in the Special Tax levy on Approved Property, Undeveloped Property, Taxable Property Owners' Association Property, Taxable Public Property or Taxable Non-Residential Property, and (vi) any amounts required to establish or replenish any

reserve funds for the Bonds, less (vii) a credit for funds available to reduce the annual Special Tax levy as determined pursuant to the Indenture.

Method of Apportionment. The Rate and Method provides that the Legislative Body shall levy the Special Tax on all Taxable Property in accordance with the following steps in order to collect Special Taxes sufficient to satisfy the Special Tax Requirement:

First: Prior to the issuance of any series of the Bonds, the Special Tax shall be levied on each Parcel of Developed Property for which a Building Permit has been issued at 100% of the applicable Assigned Special Tax to be applied to the Cost of the Facilities. Subsequent to the issue of the first series of the Bonds, the Special Tax shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement.

Second: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Parcel of Approved Property at up to 100% of the applicable Assigned Special Tax, as needed to satisfy the Special Tax Requirement.

Third: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.

Fourth: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax levied on each Parcel of Approved Property and Developed Property shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Parcel as needed to satisfy the Special Tax Requirement.

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Taxable Non-Residential Property up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.

Sixth: If additional moneys are needed to satisfy the Special Tax Requirement after the first five steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Taxable Property Owners' Association Property at up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.

Seventh: If additional moneys are needed to satisfy the Special Tax Requirement after the first six steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property at up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.

Notwithstanding the above, under no circumstances shall the Special Taxes levied against any Parcel of Residential Property be increased by more than 10% per Fiscal Year as a consequence of delinquency or default by the owner of any other Parcel within the District. However, the District is currently levying Special Taxes at the Assigned Special Tax rate on Developed Property and expects to continue to do so until the final series of Additional Bonds is issued, so any increase in Special Taxes would be levied on Approved Property and/or Undeveloped Property.

Taxable Property and Exempt Property. The Rate and Method declares that for each Fiscal Year, each Parcel shall be categorized as either Approved Property, Developed Property, Taxable Public Property, Taxable Property Owners' Association Property, Taxable Non-Residential Property or Undeveloped Property and shall be subject to the levy of Special Taxes in accordance with the Rate and Method. Approved Property and Developed Property shall further be classified as Single Family Property or Multifamily Property.

(i) “Approved Property” means, for each Fiscal Year, for which a Special Tax is being levied, all Parcels of Taxable Property not classified as Taxable Non-Residential Property, Taxable Property Owners’ Association Property and Taxable Public Property: (i) that are included in a Final Map that was recorded prior to the January 1 preceding said Fiscal Year and (ii) that have not been issued a Building Permit prior to the April 1 preceding said Fiscal Year. Any Final Map recorded prior to July 1, 2006 shall be treated for the purposes of setting the Assigned Special Tax for such Approved Property as if it were subject to the Transportation Uniform Mitigation Fee (“TUMF”) in effect as of July 1, 2006.

Certain projects that are to be constructed as condominiums may record a final map for the entire project followed by a series of condominium plan maps dividing the project into multiple phases. In those cases, the District intends to treat these individual phases as Approved Property and/or Developed Property, as applicable, as and when the condominium plan maps are recorded for the individual phases. All portions of the project not encumbered by a condominium plan map are expected to remain as Undeveloped Property.

(ii) “Developed Property” means, for each Fiscal Year after formation of the District for which the Special Tax is being levied, each Parcel of Taxable Property not classified as Taxable Public Property, Taxable Property Owners’ Association Property and Taxable Non-Residential Property: (i) that is included in a Final Map that was recorded prior to January 1 preceding said Fiscal Year and (ii) a Building Permit has been issued for a Single Family Residential Unit or a Multifamily Residential Unit on such Parcel prior to April 1 preceding said Fiscal Year. Parcels upon which a model unit has been constructed will be treated as Developed Property when any other Parcel within said Final Map is issued a Building Permit.

(iii) “Exempt Property” means, for each Fiscal Year any Parcel which is exempt from Special Taxes pursuant to the Rate and Method or non-taxable pursuant to the Rate and Method.

(iv) “Multifamily Property” means, for each Fiscal Year, a Parcel designated to be developed with one or more Multifamily Residential Units as determined by the Administrator consistent with the TUMF Ordinance in effect on the date such determination is made; provided, however, that once a Parcel is categorized as Approved Property with a Land Use Category as Multifamily Property, said Parcel will not change Land Use Category should an amendment to the TUMF Ordinance alter the definition of Multifamily Residential Unit.

(v) “Single Family Property” means, for each Fiscal Year, a Parcel designated to be developed with one or more Single Family Residential Units as determined by the Administrator; provided, however, that once a Parcel is categorized as Approved Property, said Parcel will not change Land Use Category should an amendment to the TUMF Ordinance alter the definition of Single Family Residential Unit.

(vi) “Taxable Non-Residential Property” means, for each Fiscal Year, any Parcel of Non-Residential Property which is not Exempt Property pursuant to the Rate and Method or non-taxable pursuant to the Rate and Method.

(vii) “Taxable Property Owners’ Association Property” means, for each Fiscal Year, any Parcel of Property Owners’ Association Property which is not Exempt Property pursuant to the Rate and Method or non-taxable pursuant to the Rate and Method.

(viii) “Taxable Public Property” means, for each Fiscal Year, any Parcel of Public Property which is not Exempt Property pursuant to the Rate and Method or non-taxable pursuant to the Rate and Method.

(ix) “Undeveloped Property” means, for each Fiscal Year, all Taxable Property including residentially zoned property which has not become Approved Property or Developed Property, excluding Taxable Public Property, Taxable Property Owners’ Association Property and Taxable Non-Residential Property which has not become Approved Property or Developed Property and which is not Exempt Property pursuant to the Rate and Method or non-taxable pursuant to the Rate and Method.

Maximum Special Tax. The Maximum Special Tax is defined in the Rate and Method as follows:

(i) The Maximum Special Tax for each Parcel of Undeveloped Property, Taxable Non-Residential Property, Taxable Property Owners' Association Property and Taxable Public Property is \$3,841.51 per Acre for Fiscal Year 2023-24. This rate increases by 2% each July 1, with the next increase to occur on July 1, 2025.

(ii) The Maximum Special Tax for each Parcel of Approved Property or Developed Property is determined by the date on which the Parcel became Approved Property or Developed Property and is the greater of the Assigned Special Tax or the amount derived by application of the Backup Special Tax.

The Assigned Special Tax for any parcel is calculated as a percentage of the applicable TUMF in effect when a Final Map is first recorded for such parcel and again after a building permit is issued for any parcel within such Final Map. For the Parcels which were classified as Single Family Property Developed Property for Fiscal Year 2023-24, the Assigned Special Tax ranged from \$635.87 to \$1,533.70, and for Parcels which were classified as Multifamily Property Developed Property for Fiscal Year 2023-24, the Assigned Special Tax was \$1,072.79 per multifamily unit. The Assigned Special Tax applicable to units of Approved Property in the District will depend on the amount of the TUMF at the time that a Final Map is first recorded for such parcel.

Once a Parcel is Approved Property, the Assigned Special Tax for each Parcel to be developed as Single Family Property, as shown on the Final Map, is the product of the TUMF for a Single Family Residential Unit in effect on the July 1st preceding the recordation date of the Final Map multiplied by the Special Tax Factor of 11.3%. The Assigned Special Tax for each Parcel that is to be developed as Multifamily Property is the product of the TUMF for a Multifamily Residential Unit in effect on the July 1st preceding the recordation date of the Final Map multiplied by the number of proposed dwelling units as shown on the Final Map or as determined by the Administrator, multiplied by the Special Tax Factor of 11.3%.

Once a Parcel within a Final Map of Taxable Property is Developed Property, the Assigned Special Tax as Developed Property for each Parcel within the Final Map to be developed as Single Family Property, as shown on the Final Map is established as the greater of (a) the product of the TUMF for a Single Family Residential Unit in effect on the July 1st preceding the date the first Building Permit is issued for a Parcel of Single Family Property within that Final Map multiplied by the Special Tax Factor of 11.3% or (b) the Assigned Special Tax in effect for such Parcels as Approved Property increased by 2.00% per Fiscal Year since the Parcel became Approved Property. Once a Parcel within a Final Map of Taxable Property is Developed Property, the Assigned Special Tax as Developed Property for each Parcel within the Final Map to be developed as Multifamily Property, as determined by the Administrator, is the greater of (a) the product of the TUMF for a Multifamily Residential Unit in effect on the July 1st preceding the date the first Building Permit is issued for a Parcel of Multifamily Property within that Final Map multiplied by the number of dwelling units in the Building Permit for said Parcel, as determined by the Administrator, multiplied by the Special Tax Factor of 11.3% or (b) the Assigned Special Tax in effect for such Parcel as Approved Property increased by 2.00% per Fiscal Year since the Parcel became Approved Property. The Special Tax established for Developed Property within a Final Map shall be applied to an individual parcel within said Final Map only after a Building Permit has been issued for such parcel.

On July 1st of each Fiscal Year, commencing July 1, 2007, after a parcel is determined to be Developed Property, the Assigned Special Tax for a Parcel of Developed Property will increase by an amount equal to 2.00% of the Assigned Special Tax as Developed Property in effect for such Parcel of Developed Property as of July 1st of the prior Fiscal Year.

The Backup Special Tax is the Assigned Special Tax for such Parcel provided that if the number of Parcels in a specific Final Map is subsequently changed or modified, then the Backup Special Tax will be recalculated for the Parcels within the changed or modified area such that the modified Backup Special Tax for

each Parcel within such changed area shall equal the aggregate Backup Special Tax within the changed area prior to the change or modification of such Final Map.

TUMF Percentage Change means the percentage increase in the respective TUMF applicable to a Single Family Residential Unit or a Multifamily Residential Unit, as of July 1st of the prior calendar year to July 1st of the current calendar year, beginning with the increase from the respective TUMF in effect as of July 1, 2005 to the TUMF in effect as of July 1, 2006.

Prepayment of Special Taxes. The Maximum Special Tax obligation may only be prepaid and permanently satisfied by a Parcel of Developed Property or Public Property, Property Owners' Association Property and/or Non-residential Property that is not Exempt Property. The Maximum Special Tax obligation applicable to such Parcel may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described in the Rate and Method; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment.

No Special Tax prepayment in full or prepayment in part shall be allowed unless the amount of Maximum Special Taxes, based on the categorization and classification under the Rate and Method of all Parcels on the date of the calculation, that may be levied on Taxable Property in each Fiscal Year commencing with the Fiscal Year of the proposed prepayment is at least equal to the sum of (a) 1.1 times the debt service on the Outstanding Bonds due in the calendar year which commences in such Fiscal Year (assuming a full year's debt service); plus (b) the Administrative Expenses for such Fiscal Year.

In addition, an owner of a Developed Property may partially prepay the Maximum Special Tax as specified in Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE" herein.

No Obligation of the County Upon Delinquency

The County is under no obligation to transfer any funds of the County into the Special Tax Fund or otherwise use any of its funds for payment of the principal of or interest on the Bonds if a delinquency occurs in the payment of any Special Taxes. "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Proceeds of Foreclosure Sales" for a discussion of the County's obligation to foreclose on Special Tax liens upon delinquencies.

Coverage and Source of Annual Debt Service

Annual debt service on the 2018 Bonds and the 2024 Bonds is payable from Net Special Tax Revenues levied and collected on property categorized as Taxable Property in the District in each Fiscal Year. Based on the development status within the District as of January 1, 2024, assuming no delinquencies, the Special Taxes that may be levied within the District on Developed Property are at least 110% of maximum annual debt service on the 2018 Bonds and the 2024 Bonds plus estimated Administrative Expenses in each of the years the 2018 Bonds and the 2024 Bonds are outstanding. However, pursuant to Section 53321(d) of the California Government Code, Special Taxes levied on any parcel of property used for private residential purposes in the District may not be increased by more than 10% in any fiscal year above the amount that would have been levied in that fiscal year had there never been any such delinquency or default. As a result, it is possible that the District may not be able to levy Special Taxes at the full amount of the Maximum Special Tax rates, as a result of high delinquencies. Additional debt service coverage on the 2018 Bonds and the 2024 Bonds plus estimated Administrative Expenses may be derived from Approved Property and Undeveloped Property. The District is currently levying Special Taxes at the Assigned Special Tax rate on Developed Property and expects to continue to do so until the final series of Additional Bonds is issued, so any increase in Special Taxes would be levied on Approved Property and/or Undeveloped Property. Moreover, the coverage from Maximum Special Taxes from all Taxable Property, including Developed, Approved Property and

Undeveloped Property, could be reduced to as low as 110% of maximum annual debt service plus estimated Administrative Expenses in the event that the maximum amount of Additional Bonds are issued in accordance with the Indenture, and the coverage from Developed Property could be reduced substantially. See “— Additional Bonds” below and “SPECIAL RISK FACTORS — Effect of Additional Bonds on Credit Quality.”

Proceeds of Foreclosure Sales

The proceeds of delinquent Special Taxes received following a judicial foreclosure sale of parcels within the District resulting from a landowner’s failure to pay the Special Taxes when due, up to the amount of the delinquent Special Tax lien, are included within the Net Special Tax Revenues pledged to the payment of principal and interest on the Bonds under the Indenture.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Tax levied, the Board of Supervisors of the County, as the legislative body of the District, may order that Special Taxes be collected by a superior court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the District will covenant in the Indenture with and for the benefit of the Owners of the 2024 Bonds that the District will commence appropriate judicial foreclosure proceedings against parcels with total Special Tax delinquencies in excess of \$5,000 (not including interest and penalties thereon) by the October 1 following the close of each Fiscal Year in which the last of such Special Taxes were due and will commence appropriate judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied in such Fiscal Year, and diligently pursue to completion such foreclosure proceedings. However, notwithstanding the foregoing, the District may elect to accept payment from a property owner of at least the enrolled amount but less than the full amount of the penalties, interest, costs and attorneys’ fees related to a Special Tax delinquency, if permitted by law. Additionally, notwithstanding the foregoing, in certain instances the amount of a Special Tax delinquency on a particular parcel is so small that the cost of appropriate foreclosure proceedings will far exceed the Special Tax delinquency and in such cases foreclosure proceedings may be delayed by the District until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the foreclosure proceedings cost. See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Covenants” herein.

If foreclosure is necessary and other funds (including amounts in the Reserve Fund) have been exhausted, debt service payments on the 2024 Bonds could be delayed until the foreclosure proceedings have ended with the receipt of any foreclosure sale proceeds. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions, involvement by agencies of the federal government and other factors beyond the control of the County and the District. See “SPECIAL RISK FACTORS — Bankruptcy and Foreclosure Delay” herein. Moreover, no assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. See “SPECIAL RISK FACTORS — Property Values; Value-to-Lien Ratios” herein. Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not impose on the District or the County any obligation to purchase or acquire any lot or parcel of property sold at a foreclosure sale if there is no other purchaser at such sale. The Act provides that, in the case of a delinquency, the Special Tax will have the same lien priority as is provided for *ad valorem* taxes.

If the County does purchase such property through a credit bid (which the County has done on occasion in the past but is not obligated to do so), the credit bid is not required to be paid for 24 months.

If the Reserve Fund is depleted and delinquencies in the payment of Special Taxes exist, there could be a default or delay in payments to the 2024 Bond owners pending prosecution of foreclosure proceedings and receipt by the District of foreclosure sale proceeds, if any. However, within the limits of the Rate and Method and the Act (specifically, the Maximum Special Tax and the requirement under the Act that under no circumstances shall the Special Taxes levied against any Parcel of Residential Property, as defined in the Rate and Method, be increased by more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel within the District), the District may adjust the Special Taxes levied on all property in future Fiscal Years to provide an amount, taking into account such delinquencies, required to pay debt service on the Bonds and to replenish the Reserve Fund. There is, however, no assurance that the Maximum Special Tax rates will be at all times sufficient to pay the amounts required to be paid on the Bonds by the Indenture.

Special Taxes Are Not Within Teeter Plan

The County has adopted a Teeter Plan as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code, under which a tax distribution procedure is implemented and secured roll taxes are distributed to taxing agencies within the County on the basis of the tax levy, rather than on the basis of actual tax collections. However, by policy, the County does not include assessments, reassessments and special taxes in its Teeter program. **The Special Taxes are not included in the County's Teeter Program.**

Tender for Bonds

In accordance with Section 53344.1 of the California Government Code, the District has reserved to itself the right to adopt a policy permitting the tender of Bonds or Additional Bonds in full payment or partial payment of any Special Taxes, provided that the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the 2024 Bonds and Additional Bonds when due and to pay estimated Administrative Expenses when due.

Special Tax Fund

The Trustee has established and maintains a separate fund designated the "Special Tax Fund." As soon as practicable after the receipt by the District of any Special Tax Revenues, the District shall transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund; provided, however, that with respect to any Special Tax Revenues that represent prepaid Special Taxes that are to be applied to the redemption of the Bonds in accordance with the provisions of the Indenture, said prepaid Special Taxes shall be identified as such in a Written Certificate of the District delivered to the Trustee at the time such prepaid Special Taxes are transferred to the Trustee, the portion of such prepaid Special Taxes to be applied to the Redemption Price of the Bonds to be so redeemed shall be identified in such Written Certificate of the District and shall be deposited by the Trustee in the Redemption Fund and the portion of such prepaid Special Taxes to be applied to the payment of interest on the Bonds to be so redeemed shall be identified in such Written Certificate of the District and shall be deposited by the Trustee in the Bond Fund.

Disbursements. Upon receipt of a Written Request of the District, the Trustee shall withdraw from the Special Tax Fund and transfer to the Administrative Expense Fund the amount specified in such Written Request of the District as the amount necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses.

On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer to the Administrative Expense Fund, the Trustee shall make the following transfers in the following order of priority:

Bond Fund. The Trustee shall withdraw from the Special Tax Fund and transfer to the Bond Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Bond Fund to be equal to the principal and interest due on the Bonds on such Interest Payment Date; and

Reserve Fund. After having made any transfers required to be made pursuant to the preceding paragraph, the Trustee shall withdraw from the Special Tax Fund and transfer to the Reserve Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement.

On each September 2, after having made any transfer required to the Administrative Expense Fund, the Bond Fund and the Reserve Fund, as described above, the Trustee shall transfer any remaining amounts in the Special Tax Fund to the Non-Proceeds Account of the Improvement Fund.

Bond Fund

The Trustee will hold the Bond Fund (as defined in the Indenture) for the benefit of the Bond Owners.

On each Interest Payment Date, the Trustee will withdraw from the Bond Fund and pay to the Bond Owners the principal, if any, of and interest on the Bonds then due and payable, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds.

In the event that, on an Interest Payment Date, amounts in the Bond Fund are insufficient to pay the principal, if any, of and interest on the Bonds due and payable on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds, the Trustee shall apply available funds therein in accordance with the provisions of the Indenture relating to the application of Net Special Tax Revenues upon a default. See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Events of Default and Remedies — Application of Net Special Tax Revenues After Default.”

Redemption Fund

Moneys in the Redemption Fund shall be set aside and used solely for the purpose of redeeming Bonds in accordance with the Indenture.

Reserve Fund

Certain proceeds of the 2024 Bonds will be deposited into the Reserve Fund in an amount equal to the amount required to increase the balance in the Reserve Fund to the Reserve Requirement (see “SOURCES AND USES OF FUNDS” herein). Reserve Requirement is defined in the Indenture to mean, as of any date of calculation, an amount equal to the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with proceeds of subsequently issued Bonds), (b) the Maximum Annual Debt Service on the Bonds and (c) 125% of the Average Annual Debt Service on the Bonds. Subsection (c) of the Reserve Requirement shall be calculated as of the Closing Date for the 2024 Bonds and the Reserve Requirement shall not increase (but may decrease) unless Additional Bonds are issued.

If a portion of Bonds are to be redeemed, a proportionate amount in the Reserve Fund (determined on the basis of the principal of such Bonds to be redeemed and the original principal of such Bonds) will be applied to the redemption of such Bonds; provided, however, that such amount shall be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said Bonds to be redeemed).

Except as otherwise provided in the Indenture, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Bond Fund in the event of

any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of and interest on the Bonds or, in accordance with the provisions of the Indenture, for the purpose of redeeming Bonds. Transfers shall be made from the Reserve Fund to the Bond Fund in the event of a deficiency in the Bond Fund, in accordance with the Indenture.

Moneys in the Reserve Fund will be invested and deposited as described in the Indenture. Subject to the provisions of the Indenture relating to the Rebate Fund, any interest or profits or other income received with respect to investments held in the Reserve Fund will be transferred to the Proceeds Account of the Improvement Fund or the Earnings Fund, as directed by the Indenture, to the extent amounts on deposit on the Reserve Fund exceed the Reserve Requirement.

See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Flow of Funds; Investments — Investment of Moneys” for a description of the timing, purpose and manner of disbursements from the Reserve Fund.

Administrative Expense Fund

The Trustee will receive the transfer of Special Taxes from the District from the Special Tax Fund and deposit in the Administrative Expense Fund an amount sufficient to pay Administrative Expenses.

Moneys in the Administrative Expense Fund will not be pledged to payment of debt service on the Bonds.

Additional Bonds

The District may at any time after the issuance and delivery of the 2024 Bonds issue Additional Bonds in an aggregate amount not to exceed \$77,275,000 payable from Net Special Tax Revenues secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding 2018 Bonds and the Outstanding 2024 Bonds and any other Additional Bonds then outstanding under the Indenture. Additional Bonds may be issued for the purpose of funding additional Facilities costs, for the purpose of refunding all or a portion of the 2018 Bonds and the 2024 Bonds or any Additional Bonds then Outstanding, for providing funds to pay costs of issuance incurred in connection with the issuance of such Additional Bonds, and providing funds to make any deposit to the Reserve Fund required under the Indenture in connection with the issuance of such Additional Bonds. The issuance of Additional Bonds to fund additional Facilities costs will require an increase in the amount of Special Taxes levied annually, which could result in the need to levy Special Taxes on Approved Property or Undeveloped Property and would reduce the coverage ratio between the Maximum Special Taxes that could be levied annually and the annual levy required to pay debt service on the 2024 Bonds, the 2018 Bonds and Additional Bonds plus Administrative Expenses. See “— Coverage and Source of Annual Debt Service” above and “SPECIAL RISK FACTORS — Effect of Additional Bonds on Credit Quality.”

The Indenture provides that Additional Bonds may only be issued subject to certain conditions precedent, including but not limited to the District having received a certificate of one or more Independent Consultant, except as otherwise described below, certifying as of the closing date that:

- (i) on the basis of the parcels of land and improvements existing in the District as of the January 1 preceding the proposed issuance of such Additional Bonds, for each Fiscal Year that Bonds will be Outstanding, the amount of the Available Special Taxes that may be levied on all Taxable Property in such Fiscal Year is at least equal to 110% of Annual Debt Service for the Corresponding Bond Year on all Outstanding Bonds; and
- (ii) the sum of (A) the Assessed Value of parcels of Taxable Property for which a Qualified Appraisal Report has not been provided, plus (B) the Appraised Value of parcels of Taxable

Property for which a Qualified Appraisal Report has been provided, as such Appraised Value is shown in such Qualified Appraisal Report, is at least [seven (7)] times the sum of (I) the aggregate principal amount of all Bonds that will be Outstanding after the issuance of such Additional Bonds, plus (II) the aggregate principal amount of all fixed lien special assessments levied on parcels of Taxable Property, based upon information from the most recent Fiscal Year for which such information is available, plus (III) the sum of a portion of the aggregate principal amount of Other CFD Bonds, which portion shall be equal to the aggregate principal amount of such Other CFD Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for such Other CFD Bonds on parcels of Taxable Property, and the denominator of which is the total amount of special taxes levied for such Other CFD Bonds on all parcels of land (such fraction to be determined based upon the maximum special taxes that could be levied in the year in which maximum annual debt service on such Other CFD Bonds occurs), based upon information from the most recent Fiscal Year for which such information is available..

The receipt of a Certificate described above will not be a condition precedent to the issuance of Additional Bonds if (i) such Additional Bonds are being issued to refund previously issued Bonds, and (ii) Annual Debt Service in each Bond Year calculated for all Bonds that will be outstanding after the issuance of such Additional Bonds, will be less than or equal to Annual Debt Service in such Bond Year calculated for all Bonds which are Outstanding immediately prior to the issuance of such Additional Bonds.

For a complete description of all conditions that must be satisfied prior to issuance of Additional Bonds, see Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

For purposes of the above, the following capitalized terms have the following meanings.

“Independent Consultant” means any consultant or firm of such consultants selected by the District and who, or each of whom (a) is generally recognized to be qualified in the financial consulting field, (b) is in fact independent and not under the control of the District or the County, (c) does not have any substantial interest, direct or indirect, with or in the District or the County, or any owner of real property in the District, or any real property in the District, and (d) is not connected with the District or the County as an officer or employee thereof, but who may be regularly retained to make reports to the District or the County.

“Other CFD Bonds” means, as of the date of determination, any and all bonds, notes or other evidences of indebtedness, other than the Bonds, then outstanding issued under the Act and payable at least partially from special taxes to be levied on parcels of Taxable Property.

“Qualified Appraisal Report” means a real estate appraisal report which (a) has been prepared by a Qualified Appraiser, (b) uses a date of value that is no earlier than three months prior to the date on which the value reported in such appraisal report is used in accordance with the provisions of the Indenture, (c) is prepared in accordance with the applicable standards of the Appraisal Institute for such reports, and (d) is prepared in accordance with the applicable guidelines of the California Debt and Investment Advisory Commission for such reports, as such guidelines are in effect on the Closing Date.

“Qualified Appraiser” means a real estate appraiser selected by the District and having an “MAI” designation from the Appraisal Institute.

THE COMMUNITY FACILITIES DISTRICT

General Description; Potential Annexations

The District consists of a number of noncontiguous properties located in part in the newly incorporated City of Menifee and in part in an unincorporated portion of the County approximately 10 miles

north of the City of Temecula, 35 miles southeast of the City of Riverside, 90 miles southeast of the City of Los Angeles, and 60 miles north of the City of San Diego. The District is located on both the east and west sides of Interstate 215 which is a major freeway connecting the cities of Riverside and San Diego.

The District is comprised of approximately 1,344 gross acres which are expected to be developed into approximately 758 residential acres, approximately 295 acres of street areas, approximately 229 acres of open space and drainage, approximately 49 acres of park space and approximately 13 acres of detention basins. The District may also contain a school of approximately 12 acres. Based on existing zoning and land use entitlements approved by or being processed by the County, the County estimates that the land within the District has a potential build out of approximately 4,963 residential units consisting of 3,174 single family detached units and 1,789 attached units.

For the Fiscal Year 2023-24 Special Tax levy, there were 1,760 parcels within the District classified as Developed Property which were levied at the Assigned Special Tax rates under the Rate and Method, comprised of 1,759 completed single family attached and detached residential units which have been completed and conveyed to individual homeowners, and one completed multi-family apartment complex. All of such units are classified as Developed Property under the Rate and Method for the Fiscal Year 2023-24 and are expected to continue to be levied at the Assigned Special Tax rates. The Fiscal Year 2023-24 assessed value for such Developed Property is in the aggregate amount of \$876,834,948.

Special Taxes from Developed Property are expected to be at least 110% of maximum annual debt service on the 2018 Bonds and the 2024 Bonds plus Administrative Expenses of the District. However, Additional Bonds may be issued under certain conditions on a parity with the 2018 Bonds and the 2024 Bonds which could cause the 2018 Bonds and the 2024 Bonds to be expected to be payable from Special Taxes on Approved Property and Undeveloped Property. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds” herein.

Additionally, as of January 1, 2024, there are 30 parcels of Undeveloped Property totaling approximately 627.80 acres within the District. Such parcels are not expected to be levied by the District until such parcels become Developed Property under the Rate and Method or Additional Bonds are issued. See “THE COMMUNITY FACILITIES DISTRICT” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds” and “SPECIAL RISK FACTORS — Effect of Additional Bonds on Credit Quality” herein.

[DISCUSS] At the time of formation of the District, an annexation area was identified, in which property owners may submit a written consent for annexation to the District. Owners of the properties within the annexation area are required by the County to annex to the District as a condition of getting an approved final map. Upon receipt of a consent to annexation, the Board of Supervisors of the County, acting ex-officio as the Legislative Body of the District, may call a special election to authorize the imposition of the Special Tax on such property. The boundaries of the territory within which any property may annex to the District are more particularly described and shown on that certain map (the “Annexation Map”) entitled “Boundaries — Potential Annexation Area Community Facilities District No. 05-8 (Scott Road) of the County of Riverside, State of California,” a copy of which is attached hereto as Appendix G. It is anticipated that additional properties located in unincorporated portions of the District may annex to the District as such properties reach a development stage where such property would be categorized as Developed Property and/or Approved Property; however, no annexations are currently planned. The remaining annexable area within the District totals approximately 3,625.10 gross acres.

One such annexation was previously completed. During Fiscal Year 2007-08, four parcels consisting of approximately 12.41 acres within Final Tract Map No. 12598 were annexed into the District (“Annexation No. 1”). The Annexation No. 1 parcels are owned by Cantabria Development, as successor-in-interest to Fairfield Holland Road LLC (“Fairfield Holland”). Fairfield Holland developed the property within Annexation No. 1 into 230 multi-family apartments. Cantabria Development is projected to be the largest

taxpayer in the District in Fiscal Year 2024-25, responsible for approximately 9.77% of the Fiscal Year projected 2024-25 Special Tax levy. See “THE COMMUNITY FACILITIES DISTRICT — Largest Taxpayers.”

If land within the annexation is within the boundaries of an incorporated city, the County will not be responsible for land use approvals and would no longer be able to require annexation with respect to such property into the District. Certain annexation areas of the District are now within the boundaries of the City of Menifee, which incorporated in 2008. Such areas will not be annexed into the District. Other annexation areas currently remain in unincorporated areas of the County. See Appendix G — “BOUNDARIES — POTENTIAL ANNEXATION AREA” for the boundaries of the area which is currently annexable into the District.

Utility services for parcels in the District are provided by Southern California Edison Company (electricity), Southern California Gas Company (natural gas), the Eastern Municipal Water District (water and sewer), Verizon (telephone), County of Riverside Sheriff’s Department (police services) and the County of Riverside Fire Department (fire protection).

Description of Authorized Facilities; Facilities Financing Plan

[WHAT REMAINS ELIGIBLE? WHAT IS THE ESTIMATED AMOUNT AND TIMING OF ADDITIONAL PROJECT CAPITAL NEEDS?] Proceeds of Additional Bonds may be used to finance additional Facilities as authorized at the April 18, 2006 election within the District which include: (i) the widening of Scott Road between Antelope Road and Briggs Road to four lanes, (ii) the widening of the interchange at Interstate 215 and Scott Road and the modification of the ramps to meet future traffic demands including all associated appurtenances and any rights-of-way, (iii) the full width improvement to Scott Road from Antelope Road to Highway 79 including all associated appurtenances and any rights-of-way, and (iv) other road facilities and appurtenances authorized under the County’s Transportation Uniform Mitigation Fee program, as amended from time to time. Facilities include related administrative expenses, costs related to the acquisition of land for the construction of the road improvements and appurtenances, and related facilities or land or interests in land required to be provided as mitigation of environmental impacts associated with the development of the Facilities.

The 2013 Bonds were issued to refund outstanding 2008 Bonds and to provide additional financing for the Scott Road/Interstate 215 interchange. The 2018 Bonds were issued to provide additional financing for certain public infrastructure improvements along a section of Scott Road. The 2024 Bonds are being issued to refund the outstanding 2013 Bonds. The County has no immediate plans to issue any Additional Bonds; however, one or more additional series of Additional Bonds may be issued in the future to finance street and highway improvements once additional development within the District warrants the issuance of Additional Bonds. The timing, amount and number of series of Additional Bonds issued may change depending on a variety of factors, including the pace of development in the District and surrounding areas. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds” and “SPECIAL RISK FACTORS — Effect of Additional Bonds on Credit Quality.”

Land Use Status and Approvals

The General Plan for the County of Riverside, adopted by the Board of Supervisors on December 8, 2015, divides the County into 19 Community Plan Areas. The District is located in the Sun City / Menifee Valley Area Plan Area. The Comprehensive General Plan establishes foundation components (Community Development, Rural, Rural Community, Agricultural and Multipurpose Open Space). The District is within the Community Development component.

The land uses designated for the District include: (i) medium high density residential, (ii) high density residential, (iii) very high density residential, (iv) elementary school, (v) community park, (vi) drainage and (vii) streets.

As of January 1, 2024, within the District there are 1,759 single family attached and detached residential units which have been completed and conveyed to individual homeowners and one completed multi-family apartment complex. All of such units are classified as Developed Property under the Rate and Method for the Fiscal Year 2023-24 and are expected to continue be levied at the Assigned Special Tax rates.

In addition, there are 30 parcels totaling approximately 627.80 acres of Undeveloped Property within the District. Such landowners are not proceeding with development in the District at this time, and the District cannot predict when or if development of such Undeveloped Property will occur. See “SPECIAL RISK FACTORS — Failure to Develop Properties.”

Transportation Uniform Mitigation Fee. The projects in the District are required to pay fees as a condition to develop. In 2003, the County and the various cities in the western region of the County adopted a new transportation fee for development, known as the Transportation Uniform Mitigation Fee (“TUMF”), which varies periodically. The latest adjustment to the TUMF became effective January 1, 2022, which will initially add approximately \$10,104 to every new single-family residential unit and approximately \$6,580 to each future multi-family unit in the County, subject to credit for a portion, if any, of transportation facility fees imposed by the County or applicable city which relates to facilities encompassed within the transportation fee. New retail, service and industrial development will also be charged the transportation fee based on the square footage of new development (\$7.72 per square foot for retail, \$4.89 per square foot for service and \$1.86 per square foot for industrial). All other TUMF categories will remain the same during this period. Cities may opt out of the TUMF Program, but if they do so, they will not be able to receive any money from Measure A, the County’s half-cent sales tax initiative. Extension of the term of Measure A was approved by the voters at the November 5, 2002 election. The half-cent sales tax program is now extended an additional 30 years and will expire in 2039. The TUMF applies to lots within the District. Future landowners within the District will receive partial credit against payment of the TUMF based on funding of Facilities by the District.

Environmental Approvals and Permits

As required by various California Environmental Quality Act (“CEQA”) approvals, the development projects in the District are required to comply with certain mitigation measures. Certain sensitive plant and animal species, including burrowing owls, were observed within the District and mitigation measures are required to be implemented in accordance with the applicable conditions of approval. Each property owner in the County is required to provide a burrowing owl survey and provide corresponding mitigation measures, including payment of a fee and the relocation of burrowing owls present on its land, prior to obtaining an approved final map from the County. Numerous areas within the County have been identified as containing potential habitat of the Stephen’s Kangaroo Rat, which is a listed species. The evidence of habitation by this rat may result in delays or substantial revisions of proposed developments within the County.

The Western Riverside County Multiple Species Habitat Conservation Plan (“MSHCP”) was approved by federal and state wildlife agencies and the MSHCP became effective June 22, 2004. At that time, “take” permits were issued authorizing take of certain covered species. The MSHCP is a comprehensive, multi-jurisdictional effort that includes the County and 14 cities within the County. The plan focuses on the conservation of 146 species. The MSHCP consists of a reserve system of approximately 500,000 acres of which 347,000 acres are within public ownership and approximately 153,000 acres are in private ownership. The purchase of the privately owned lands will be funded by an adopted fee.

The District cannot predict the likelihood of a listing of additional species affecting the development of the property in the District. Any future listing of additional species may potentially be addressed by the MSHCP, thereby allowing affected projects to obtain take authorization for those species as well.

Furthermore, certain of the developments will need to follow normal permitting requirements for impacts to wetlands and other water courses regulated by the U.S. Army Corps of Engineers and the California Department of Fish and Wildlife.

Estimated Direct and Overlapping Indebtedness

Within the boundaries of the District are numerous overlapping local agencies providing public services. Some of these local agencies have outstanding bonds which are secured by taxes and assessments on the parcels within the District and others have authorized but have not yet issued bonds which, if issued, will be secured by taxes and assessments levied on parcels within the District. Table 1 below sets forth the existing authorized indebtedness payable from taxes and assessments that may be levied on the parcels of Developed Property within the District, prepared by Webb Municipal Finance LLC, and dated January 1, 2024 (the “Debt Report”). The Debt Report is included for general information purposes only. The District believes the information is current as of its date, but makes no representation as to its completeness or accuracy. Other public agencies and the County may issue additional indebtedness at any time, without the consent or approval of the District. See “SPECIAL RISK FACTORS — Burden of Parity Liens, Taxes and Other Special Assessments on the Taxable Property.”

The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. In many cases long term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency. Additional indebtedness could be authorized by the County or other public agencies at any time.

There are various community facilities districts and assessment districts which have been formed or which are in the process of formation and which have issued bonds or are in the process of issuing bonds which overlap with the District. The issuance of bonds by such community facilities districts and assessment districts will lower the value-to-lien ratio of the property within the District and may lower the ability or willingness of certain landowners in the District to pay the Special Taxes.

TABLE 1
COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
DIRECT AND OVERLAPPING DEBT

I. ASSESSED VALUE

Fiscal Year 2023-24 Assessed Value⁽¹⁾

\$ 918,249,434

II. LAND SECURED BOND INDEBTEDNESS

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels in	
					CFD	Amount Applicable
EMWD CFD 2016-72 (Hidden Hills)	CFD	\$ 2,400,000	\$ 2,270,000	100.00%	397	\$ 2,270,000
CFD 05-8 Scott Road	CFD	22,725,000	18,955,000 ⁽²⁾	100.00	1,790	18,955,000*
CFD 92-1 PERRIS UNION HS	CFD	40,000,000	30,100,000	10.20	1,726	3,071,686
MENIFEE USD 2005-2	CFD	4,740,000	3,255,000	100.00	178	3,255,000
MENIFEE USD 2006-2	CFD	7,165,000	6,235,000	51.71	131	3,224,038
MENIFEE USD 2006-3	CFD	2,040,000	1,505,000	100.00	114	1,505,000
MENIFEE USD 2006-4	CFD	2,495,000	2,245,000	100.00	100	2,245,000
MENIFEE USD 2014-3	CFD	12,635,000	12,500,000	100.00	359	12,500,000
EMWD AD 20	AD	11,665,000	1,590,000	9.20	130	146,304
EMWD CFD 2005-39 (MARSDEN)	CFD	2,695,000	1,860,000	100.00	127	1,860,000
EMWD CFD 2006-52 (NELSON)	CFD	1,690,000	980,000	100.00	105	980,000
TOTAL OUTSTANDING LAND SECURED BONDED DEBT⁽³⁾						\$ 50,012,028*

Authorized and Unissued Direct and Overlapping Bonded Debt	Type	Authorized	Unissued	% Applicable	Parcels in	
					CFD	Amount Applicable
EMWD CFD 2016-72 (Hidden Hills)	CFD	\$ 4,000,000	\$ 0 ⁽⁴⁾	100.00%	397	\$ 0
CFD 05-8 Scott Road	CFD	100,000,000	77,275,000	100.00	1,790	77,275,000
CFD 92-1 PERRIS UNION HS	CFD	40,000,000	0	10.20	1,726	0
MENIFEE USD 2005-2	CFD	5,500,000	0 ⁽⁴⁾	100.00	178	0
MENIFEE USD 2006-2	CFD	8,000,000	0 ⁽⁴⁾	51.71	131	0
MENIFEE USD 2006-3	CFD	6,000,000	0 ⁽⁴⁾	100.00	114	0
MENIFEE USD 2006-4	CFD	3,000,000	0 ⁽⁴⁾	100.00	100	0
MENIFEE USD 2014-3	CFD	20,000,000	7,365,000	100.00	359	7,365,000
EMWD AD 20	AD	17,000,000	0 ⁽⁴⁾	9.20	130	0
EMWD CFD 2005-39 (MARSDEN)	CFD	4,000,000	0 ⁽⁴⁾	100.00	127	0
EMWD CFD 2006-52 (NELSON)	CFD	2,400,000	0 ⁽⁴⁾	100.00	105	0
TOTAL UNISSUED LAND SECURED INDEBTEDNESS⁽³⁾						\$ 84,640,000

TOTAL OUTSTANDING AND UNISSUED LAND SECURED INDEBTEDNESS

\$ 134,652,028

III. GENERAL OBLIGATION BOND INDEBTEDNESS

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable ⁽⁵⁾	Parcels in	
					CFD	Amount Applicable
Menifee Union School B & I (0.06303%)	GO	\$ 180,955,495	\$ 152,811,292	5.59720%	1,790	\$ 8,553,150
Perris Union High School B & I (0.08173%)	GO	363,415,283	290,293,435	3.48402	1,790	10,113,882
MT San Jacinto Comm (0.01320%)	GO	295,000,000	242,210,000	0.78899	1,790	1,911,005
Metropolitan Water East (0.00350%)	GO	850,000,000	18,210,000	0.02378	1,790	4,330
Eastern Muni Water Imp U-35 (0.00860%)	GO	9,000,000	6,343,000	9.62450	1,728	610,482
Eastern Muni Water Imp U-36 (0.00860%)	GO	9,012,000	6,352,000	9.62510	1,728	611,386
TOTAL OUTSTANDING GENERAL OBLIGATION BONDED DEBT						\$ 21,804,475

Authorized and Unissued Direct and Overlapping Bonded Debt	Type	Authorized	Unissued	% Applicable	Parcels in	
					CFD	Amount Applicable
Menifee Union School B & I (0.06303%)	GO	\$ 180,960,000	\$ 4,506	5.59720%	1,790	\$ 252
Perris Union High School B & I (0.08173%)	GO	363,420,000	4,717	3.48402	1,790	164
MT San Jacinto Comm (0.01320%)	GO	295,000,000	0	0.78899	1,790	0
Metropolitan Water East (0.00350%)	GO	850,000,000	0	0.02378	1,790	0
Eastern Muni Water Imp U-35 (0.00860%)	GO	46,200,000	37,200,000	9.62450	1,728	3,580,314
Eastern Muni Water Imp U-36 (0.00860%)	GO	19,700,000	10,688,000	9.62510	1,728	1,028,730
TOTAL UNISSUED GENERAL OBLIGATION INDEBTEDNESS						\$ 4,609,461

TOTAL OUTSTANDING AND UNISSUED GENERAL OBLIGATION INDEBTEDNESS

\$ 26,413,696

TOTAL OF ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	\$ 71,816,264
TOTAL OF ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING INDEBTEDNESS	\$ 161,065,725

IV. Ratios to 2023-24 Assessed Valuation

Outstanding Land Secured Bonded Debt 18.36*:1
Total Outstanding Bonded Debt 12.79*:1

* Preliminary, subject to change.

(1) Fiscal Year 2023-24 Assessed Valuation data includes values for parcels classified as Developed, Approved, and Undeveloped property as of January 1, 2023, Riverside County Assessor's Office.

(2) Amount outstanding is equal to the outstanding principal amount of the 2018 Bonds plus the initial principal amount of the 2024 Bonds.

(3) Additional bonded debt or available bond authorization may exist but is not shown because a tax was not levied for Fiscal Year 2023-24.

(4) Indicates such taxing jurisdictions have covenanted not to issue additional bonds except for refunding purposes.

(5) Percentage applicable determined by Fiscal Year 2023-24 Equalized Roll Assessed Value information.

Source: Webb Municipal Finance, LLC.

Community Facilities Districts, Overlapping Assessments and Maintenance Community Facilities Districts. The District is within the 54-153 Tax Rate Area according to the Riverside County Tax Collector’s office. For the Parcels which were classified as Single Family Property Developed Property for Fiscal Year 2023-24, the Assigned Special Tax ranged from \$635.87 to \$1,533.70, and for Parcels which were classified as Multifamily Developed Property for Fiscal Year 2023-24, the Assigned Special Tax was \$1,072.79 per multifamily unit. The Assigned Special Tax applicable to units of Approved Property in the District will depend on the amount of the TUMF at the time that a Final Map is first recorded for such parcel. No Special Tax was levied on Approved Property or Undeveloped Property in Fiscal Year 2023-24. The Maximum Special Taxes for Fiscal Year 2024-25 are estimated at \$3,841.51 per acre for Undeveloped Property, Taxable Public Property, Taxable Property Owners’ Association Property and Taxable Non-Residential Property. The foregoing rates are subject to increase as set forth in the Rate and Method.

The properties that are within other existing community facilities districts and assessment districts, as noted in Table 1 above, will have higher tax rates. Subsequent to the issuance of the 2024 Bonds, additional overlapping community facilities districts and/or assessment districts may be formed and may issue bonds, which would increase the total tax burden of any properties in the District included therein. See “SPECIAL RISK FACTORS—Burden of Parity Liens, Taxes and Other Special Assessments on the Taxable Property.”

Expected Tax Burden

Table 2 below sets forth a sample property tax bill for certain parcels of Developed Property in the District. The taxes, assessments and charges set forth in Table 2 are based on a weighted average of such taxes, assessments and charges based on Fiscal Year 2023-24 overlapping taxes and assessments. Actual property tax bills will vary significantly from parcel to parcel depending on the home size and location. There are numerous overlapping local agencies within the boundaries of the District as shown in Table 1 herein. Based on the weighted average of the taxes, assessments and charges within the District, the weighted average total effective tax rate on homes owned by individuals within the District is approximately 2.02% of the assessed values from the Riverside County Assessor’s Office Fiscal Year 2023-24 Certified Roll. The actual amounts charged may vary and may increase in future years. Based on the property tax information for Fiscal Year 2023-24 and Fiscal Year 2023-24 assessed values, the estimated total effective tax rate range for units in the District is approximately 1.64% of assessed value to approximately 2.55% of assessed value.

**TABLE 2
COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
PROJECTED FISCAL YEAR 2024-25 TAX OBLIGATION
FOR PARCELS OF DEVELOPED PROPERTY⁽¹⁾**

	TR 28206-1	TR 28206-2	TR 30142	TR 30142-1	TR 30142-2	TR 30664	TR 30902	TR 31347	TR 31383	TR 31629	TR 31724	TR 31831	TR 32277-1	TR 32277-2	TR 32277-3	TR 36788
Average Home Value(2)	\$445,359	\$376,179	\$433,787	\$418,181	\$559,879	\$891,857	\$406,554	\$468,876	\$449,610	\$421,367	\$426,632	\$342,978	\$598,517	\$523,831	\$490,721	\$514,436
<i>Ad Valorem Property Taxes:</i>																
General Purpose (1.0000%)	\$ 4,454	\$ 3,762	\$ 4,338	\$ 4,182	\$ 5,599	\$ 8,919	\$ 4,066	\$ 4,689	\$ 4,496	\$ 4,214	\$ 4,266	\$ 3,430	\$ 5,985	\$ 5,238	\$ 4,907	\$ 5,144
Menifee Union School B & I (0.06303%)	281	237	273	264	353	562	256	296	283	266	269	216	377	330	309	324
Perris Union High School B & I (0.08173%)	364	307	355	342	458	729	332	383	367	344	349	280	489	428	401	420
MT San Jacinto Comm (0.01320%)	59	50	57	55	74	118	54	62	59	56	56	45	79	69	65	68
Metropolitan Water East (0.00350%)	16	13	15	15	20	31	14	16	16	15	15	12	21	18	17	18
Eastern Muni Water Imp U-35 (0.00860%)	38	32	37	36	48		35	40	39	36	37	29	51	45	42	44
Eastern Muni Water Imp U-36 (0.00860%)	38	32	37	36	48		35	40	39	36	37	29	51	45	42	44
Total Ad Valorem Property Taxes	\$ 5,249	\$ 4,434	\$ 5,113	\$ 4,929	\$ 6,599	\$ 10,359	\$ 4,792	\$ 5,526	\$ 5,299	\$ 4,966	\$ 5,029	\$ 4,043	\$ 7,054	\$ 6,174	\$ 5,784	\$ 6,063
<i>Assessment, Special Taxes & Parcel Charges:</i>																
CFD 05-8 Scott Road(3)	\$ 1,558	\$ 1,434	\$ 1,247	\$ 649	\$ 1,247	\$ 1,558	\$ 1,534	\$ 1,564	\$ 1,534	\$ 1,534	\$ 1,534	\$ 1,558	\$ 1,129	\$ 1,129	\$ 1,129	\$ 1,085
CFD 2016-72 HIDDEN HILLS			277		559											
FLD CNTL STORMWATER/CLEANWATER CSA #84	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
CSA #152			72	72	72	72	66	45	45	45	45	45				
PERRIS UNION HS CFD 92-1	325	299	328	318	330	330	314	330	319	324	319	330	321	327	327	330
MENIFEE USD CFD 2005-2									2,151							
MENIFEE USD CFD 2006-2	2,153	1,891														
MENIFEE USD CFD 2006-3										1,693						
MENIFEE USD CFD 2006-4						2,308		1,794								
MENIFEE USD CFD 2014-3													2,489	2,158	1,910	
MENIFEE CFD 2012-02			598	598	598											
AD MENIFEE LLM D 89-1-C ZN 63									71							
AD MENIFEE LLM D 89-1-C ZN 69											484					
AD MENIFEE LLM D 89-1-C ZN 81												483				
AD MENIFEE LLM D 89-1-C ZN 114	22	22														
AD MENIFEE LLM D 89-1-C ZN 133			248	248	248											
AD MENIFEE CSA 84	56	56							56	56						
AD MENIFEE CSA 145						829	175				201	201				
V-WIDE REGIONAL FAC LMD 88-1	6	6						6	6	6						
V-WIDE LMD MENIFEE SOUTH PARK	999	999						474	999	368						
MWD STANDBY EAST	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
EMWD INFRASTRUCTURE AVAILABILITY CHARGE	25	25	25	25	25	25	25	25	25	25	25	25	3	3	3	25
EMWD AD 20	429	429														
EMWD CFD 2005-39																
EMWD CFD 2006-52											1,375					
CITY OF MENIFEE CFD 2015-2 TAX ZONE 1													1,080	1,080	1,080	
CITY OF MENIFEE CFD 2015-2 TAX ZONE 8																898
Total Taxes and Assessments	\$ 5,583	\$ 5,171	\$ 2,805	\$ 1,920	\$ 3,088	\$ 5,132	\$ 3,333	\$ 4,304	\$ 5,215	\$ 4,061	\$ 3,994	\$ 2,652	\$ 5,034	\$ 4,708	\$ 4,460	\$ 2,349
Average Total Property Tax	\$ 10,883	\$ 9,605	\$ 7,918	\$ 6,849	\$ 9,687	\$ 15,491	\$ 8,125	\$ 9,831	\$ 10,514	\$ 9,028	\$ 9,022	\$ 6,695	\$ 12,088	\$ 10,883	\$ 10,244	\$ 8,412
Average Effective Tax Rate	2.43%	2.55%	1.83%	1.64%	1.73%	1.74%	2.00%	2.10%	2.34%	2.14%	2.11%	1.95%	2.02%	2.08%	2.09%	1.64%

(1) Reflects average Fiscal Year 2023-24 effective tax rates. Amounts are rounded to the nearest dollar.
(2) Average home value represents the average Fiscal Year 2023-24 total assessed value for parcels to be classified as Developed Property for Fiscal Year 2023-24 and which were assigned structure assessed value by the Riverside County Assessor.
(3) Reflects the District's Average Projected Fiscal Year 2024-25 Special Tax Levy for parcels projected to be classified as Developed Property for Fiscal Year 2024-25.
Source: Webb Municipal Finance, LLC.

Estimated Assessed Value-to-Lien Ratios

Table 3 sets forth the historical assessed value of Developed Property, Approved Property, Undeveloped Property and total assessed value for the current Fiscal Year and the previous four Fiscal Years.

Table 4 below sets forth the estimated assessed value-to-lien ratios for various categories of property ownership within the District based upon ownership status as of January 1, 2024 and the assessed values included on the Fiscal Year 2023-24 Assessor's roll. The assessed value of the Taxable Parcels within the District for Fiscal Year 2023-24 is \$918,249,434.

Moreover, the Fiscal Year 2023-24 assessed value from property classified as Developed Property for the Fiscal Year 2023-24 Special Tax levy is \$876,834,948. The estimated assessed value-to-lien ratio of the Developed Property within the District based upon the principal amount of the 2018 Bonds, the principal amount of the 2024 Bonds, overlapping debt payable from other taxes and assessments levied on the property within the District and the assessed values included on the 2023-24 Assessor's roll is 17.53*-to-1 based on Developed Property only. Because a parcel's assessed value generally represents the lower of its acquisition cost and adjustments for inflation (but not more than 2% per year) or its current market value, it may not be indicative of the parcel's market value. No assurance can be given that any of the value-to-lien ratios in Tables 3 and 4 will be maintained during the period of time that the 2024 Bonds are outstanding. The District does not have any control over future property values or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which is made through the levy of a tax or an assessment with a lien on a parity with the Special Taxes. See "SPECIAL RISK FACTORS — Property Values; Value-to-Lien Ratios."

Table 5 below sets forth the estimated value-to-lien ratios for parcels within the District by various ranges based upon the direct and overlapping debt information included in Table 1.

* Preliminary, subject to change.

**TABLE 3
COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
SUMMARY OF HISTORICAL ASSESSED VALUES
FISCAL YEARS 2019-20 THROUGH 2023-24**

<i>Fiscal Year</i>	<i>No. of Developed Parcels</i>	<i>Assessed Value of Developed Parcels</i>	<i>No. of Approved Parcels</i>	<i>Assessed Value of Approved Parcels</i>	<i>Undeveloped Property Acres</i>	<i>Assessed Value of Undeveloped Property</i>	<i>Total Assessed Valuation⁽¹⁾</i>	<i>Annual Percentage Change</i>
2019-20	1,163	\$439,549,707	481	\$41,407,916	654.91	\$33,907,007	\$514,864,630	N/A
2020-21	1,385	546,387,180	377	62,255,426	627.80	31,052,528	639,695,134	24.25%
2021-22	1,691	700,211,780	69	4,324,154	627.80	32,571,148	737,107,082	15.23
2022-23	1,759	834,478,951	1	42,129	627.80	34,940,790	869,461,870	17.96
2023-24	1,760	876,834,948	0	0	627.80	41,414,486	918,249,434	5.61

⁽¹⁾ As of January 1 of each year as shown on the County Assessor's Rolls. Total Assessed Value is calculated as the sum of Land Assessed Value and Structure Assessed Value. Source: Webb Municipal Finance, LLC.

TABLE 4
COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
ESTIMATED VALUE-TO-LIEN RATIOS
FISCAL YEAR 2023-24 PROPERTY OWNERSHIP BY CLASSIFICATION

<i>Classification</i>	<i>No. of Parcels</i>	<i>Fiscal Year 2023-24 Assessed Value⁽¹⁾</i>	<i>Percent of Assessed Value</i>	<i>Projected Fiscal Year 2024-25 Special Tax Levy⁽²⁾</i>	<i>Percent of Special Tax Levy</i>	<i>2018 Bonds</i>	<i>2024 Bonds*</i>	<i>Other Overlapping Debt⁽³⁾</i>	<i>Total Outstanding Debt*</i>	<i>Aggregate Value-to- Lien*</i>
Single Family Residential	1,759	\$828,120,234	90.18%	\$ 2,324,947	90.23%	\$ 9,893,969	\$ 12,483,635	\$ 30,865,048	\$ 47,968,575	17.26:1
Multifamily Residential Property ⁽⁴⁾	1	48,714,714	5.31	251,678	9.77	500,108	1,351,365	191,980	2,043,453	23.84:1
Undeveloped Property	<u>30</u>	<u>41,414,486</u>	<u>0.05</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>
Total	1,790	\$918,249,434	100.00%	\$ 2,576,625	100.00%	\$ 5,120,000	\$ 13,835,000	\$ 31,057,028	\$ 50,012,028	18.36:1

* Preliminary, subject to change.

(1) Fiscal Year 2023-2024 Equalized Roll Assessed Valuation, Riverside County Assessor's Office.

(2) Includes debt service for the 2018 Bonds and the 2024 Bonds and estimated administration in the amount of \$69,112. Developed Property is expected to be levied at the Assigned Special Tax rate until the final series of Additional Bonds is issued. Approved Property and Undeveloped Property are not projected to be taxed for Fiscal Year 2024-25; however, such property may be taxed in the future if necessary to satisfy the Special Tax Requirement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds."

(3) Includes Perris Union HS CFD 92-1, Menifee USD CFD 2005-2, Menifee USD CFD 2006-2, Menifee USD CFD 2006-3, Menifee USD CFD 2006-4, Menifee USD CFD 2014-3, EMWD AD 20, EMWD CFD 2005-39, and EMWD CFD 2006-52 outstanding bonds.

(4) Includes one apartment complex parcel comprising 230 total residential units.

Source: Webb Municipal Finance, LLC.

**TABLE 5
COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
VALUE-TO-LIEN STRATIFICATION FOR DEVELOPED PROPERTY**

<i>Assessed Value-to-Lien</i>	<i>No. of Parcels⁽¹⁾</i>	<i>Percent of Total Parcels</i>	<i>Projected Fiscal Year 2024-25 Special Tax⁽²⁾</i>	<i>Percent of Projected Special Tax</i>	<i>Fiscal Year 2023-24 Assessed Value⁽³⁾</i>	<i>Percent of Assessed Value</i>	<i>Aggregate Outstanding Land Secured Debt⁽⁴⁾ *</i>	<i>Percent of Aggregate Outstanding Land Secured Debt*</i>	<i>Aggregate Value-to-Lien*</i>
Less than 10.00:1 ⁽⁵⁾	114	6.48%	\$ 160,891	6.24%	\$ 36,153,950	4.12%	\$ 4,196,912	8.39%	8.61:1
10.00:1 to 14.99:1	662	37.61	891,080	34.58	298,469,576	34.04	24,434,689	48.86	12.21:1
15.00:1 to 19.99:1	269	15.28	399,549	15.51	129,595,197	14.78	7,711,817	15.42	16.80:1
20.00:1 to 24.99:1	119	6.76	426,975	16.57	115,542,051	13.18	5,022,335	10.04	23.01:1
25.00:1 to 29.99:1	244	13.86	321,328	12.47	118,239,240	13.48	4,268,814	8.54	27.70:1
Greater than 29.99:1 ⁽⁶⁾	<u>352</u>	<u>20.00</u>	<u>376,802</u>	<u>14.62</u>	<u>178,834,934</u>	<u>20.40</u>	<u>4,377,461</u>	<u>8.75</u>	<u>40.85:1</u>
Total	1,760	100.00%	\$2,576,625	100.00%	\$876,834,948	100.00%	\$ 50,012,028	100.00%	17.53:1

* Preliminary, subject to change.

(1) Reflects the number of parcels classified as Developed Property in Fiscal Year 2023-24 and projected to be levied for Fiscal Year 2024-25.

(2) Includes debt service for the 2018 Bonds, the 2024 Bonds and estimated administration in the amount of \$69,112. Developed Property is expected to be levied at the Assigned Special Tax rate until the final series of Additional Bonds is issued. Approved Property and Undeveloped Property are not projected to be taxed for Fiscal Year 2024-25; however, such property may be taxed in the future if necessary to satisfy the Special Tax Requirement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds."

(3) Fiscal Year 2023-24 Equalized Roll Assessed Valuation, Riverside County Assessor's Office.

(4) Includes the 2024 Bonds in addition to Perris Union HS CFD 92-1, Menifee USD CFD 2005-2, Menifee USD CFD 2006-2, Menifee USD CFD 2006-3, Menifee USD CFD 2006-4, Menifee USD CFD 2014-3, EMWD AD 20, EMWD CFD 2005-39, and EMWD CFD 2006-52 outstanding bonds.

(5) Minimum estimated assessed value-to-lien is 2.84:1. Parcel has decreased Assessed Value pursuant to a Prop 60/90/110 exemption.

(6) Maximum estimated assessed value-to-lien is 114.02:1.

Source: Webb Municipal Finance, LLC.

Largest Taxpayers

100% of the Special Taxes were levied on Developed Property in Fiscal Year 2023-24 and are projected to be levied on parcels to be classified as Developed Property in Fiscal Year 2024-25. Cantabria Development is projected to be the largest taxpayer in the District in Fiscal Year 2024-25, projected to be responsible for approximately 9.77% of the Fiscal Year projected 2024-25 Special Tax levy. See “SPECIAL RISK FACTORS – Concentration of Ownership.”

A summary of the largest taxpayers within the District is set forth in Table 6 below.

**TABLE 6
COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
ESTIMATED VALUE-TO-LIEN RATIOS
LARGEST PROPERTY OWNERS OF PARCELS OF DEVELOPED PROPERTY**

<i>Owner</i>	<i>No. of Parcels⁽¹⁾</i>	<i>Assessed Value⁽²⁾</i>	<i>Percent of Assessed Value</i>	<i>2018 Bonds</i>	<i>2024 Bonds[*]</i>	<i>Other Overlapping Debt⁽³⁾</i>	<i>Aggregate Outstanding Debt[*]</i>	<i>Value-to- Lien Ratio[*]</i>	<i>Projected Fiscal Year 2024-25 Special Tax⁽⁴⁾</i>	<i>Percent of Projected Special Tax</i>
Cantabria Development ⁽⁵⁾	1	\$ 48,714,714	5.56%	\$ 500,108	\$ 1,351,365	\$ 191,980	\$ 2,043,453	23.84:1	\$ 251,678	9.77%
B&D CONSOLIDATION	3	621,688	0.07	9,290	25,103	5,008	39,401	15.78:1	4,675	0.18
INDIVIDUAL OWNER	3	1,271,984	0.15	7,432	20,082	15,340	42,854	29.68:1	3,740	0.15
INDIVIDUAL OWNER	3	1,440,977	0.16	6,731	18,189	100,799	125,718	11.46:1	3,387	0.13
INDIVIDUAL OWNER	2	1,080,365	0.12	5,525	14,929	25,034	45,488	23.75:1	2,780	0.11
INDIVIDUAL OWNER	1	846,600	0.10	3,109	8,400	19,954	31,463	26.91:1	1,564	0.06
INDIVIDUAL OWNER	1	760,000	0.09	3,109	8,400	27,261	38,769	19.60:1	1,564	0.06
INDIVIDUAL OWNER	1	708,900	0.08	3,109	8,400	31,053	42,561	16.66:1	1,564	0.06
INDIVIDUAL OWNER	1	708,900	0.08	3,109	8,400	19,954	31,463	22.53:1	1,564	0.06
INDIVIDUAL OWNER	<u>1</u>	<u>640,000</u>	<u>0.07</u>	<u>3,109</u>	<u>8,400</u>	<u>27,261</u>	<u>38,769</u>	<u>16.51:1</u>	<u>1,564</u>	<u>0.06</u>
Subtotal	17	\$ 56,794,128	6.48%	\$ 544,628	\$ 1,471,666	\$ 463,646	\$ 2,479,940	22.90:1	\$ 274,083	10.64%
All Others	<u>1,743</u>	<u>820,040,820</u>	<u>93.52</u>	<u>4,575,372</u>	<u>12,363,334</u>	<u>30,593,383</u>	<u>47,532,088</u>	<u>17.25:1</u>	<u>2,302,542</u>	<u>89.36</u>
Total	1,760	\$876,834,948	100.00%	\$ 5,120,000	\$13,835,000	\$31,057,028	\$50,012,028	17.53:1	\$2,576,625	100.00%

* Preliminary, subject to change.

(1) Reflects the number of parcels of Developed Property projected to be levied for Fiscal Year 2024-25. Approved and Undeveloped Property are not included as these parcels are not projected to be levied for Fiscal Year 2024-25.

(2) Fiscal Year 2023-24 Equalized Roll Assessed Valuation, Riverside County Assessor's Office.

(3) Includes Perris Union HS CFD 92-1, Menifee USD CFD 2005-2, Menifee USD CFD 2006-2, Menifee USD CFD 2006-3, Menifee USD CFD 2006-4, Menifee USD CFD 2014-3, EMWD AD 20, EMWD CFD 2005-37, and EMWD CFD 2006-52 outstanding bonds.

(4) Includes debt service for the 2018 Bonds and the 2024 Bonds and estimated administration in the amount of \$69,112. Developed Property is expected to be levied at the Assigned Special Tax rate until the final series of Additional Bonds is issued. Approved Property and Undeveloped Property are not projected to be taxed for Fiscal Year 2024-25; however, such property may be taxed in the future if necessary to satisfy the Special Tax Requirement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds."

(5) Includes one apartment complex parcel comprising 230 total residential units.

Source: Webb Municipal Finance, LLC.

Delinquency History

Table 7 below summarizes the Special Tax delinquencies for property within the boundaries of the District for Years 2019-20 through 2022-23 and the first installment of Fiscal Year 2023-24. Currently, there are no foreclosure actions in process in the District.

**TABLE 7
COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE
DELINQUENCY HISTORY
FISCAL YEARS 2019-20 THROUGH 2023-24**

<i>Fiscal Year</i>	<i>Amount Levied</i>	<i>Parcels Levied</i>	<i>Delinquencies Following Fiscal Year End</i>			<i>Delinquencies as of March 31, 2024</i>		
			<i>Parcels Delinquent</i>	<i>Amount Delinquent</i>	<i>Percent Delinquent</i>	<i>Parcels Delinquent</i>	<i>Amount Delinquent</i>	<i>Percent Delinquent</i>
2019-20	\$1,692,634.02	1,163	10	\$ 8,485.36	0.50%	1	\$1,022.70	0.06%
2020-21	1,970,440.64	1,385	12	11,463.13	0.58	1	1,043.14	0.05
2021-22	2,347,855.46	1,691	11	11,207.73	0.48	1	1,064.00	0.05
2022-23	2,475,351.56	1,759	16	16,510.56	0.67	0	0.00	0.00
2023-24 ⁽¹⁾	1,263,045.57	1,760	N/A	N/A	N/A	5	3,325.80	0.26

⁽¹⁾ Information with respect to Fiscal Year 2023-24 includes the first installment only.
Source: Riverside County Tax Collector.

SPECIAL RISK FACTORS

In addition to the other information contained in this Official Statement, the following risk factors should be carefully considered in evaluating the investment quality of the 2024 Bonds. The District cautions prospective investors that this discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the 2024 Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Any such failure to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the 2024 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.

Risks of Real Estate Secured Investments Generally

The 2024 Bondowners 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 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 and (iii) natural disasters (including, without limitation, earthquakes, fires, floods and landslides), which may result in uninsured losses.

No assurance can be given that the individual property owners will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See “— Bankruptcy and Foreclosure Delay” below, for a discussion of certain limitations on the District’s ability to pursue judicial proceedings with respect to delinquent parcels.

Concentration of Ownership

Assuming the development status as of January 1, 2024, the ownership status as of January 1, 2024 and no issuance of Additional Bonds, Cantabria Development will be responsible for approximately 9.77% of the Fiscal Year 2024-25 Special Taxes, approximately 90.05% of the Fiscal Year 2024-25 Special Tax levy will be paid by individual homeowners and the remaining approximately 0.18% of the Fiscal Year 2024-25 Special Tax levy will be paid by B&D Consolidation. See Table 6 herein. Special Taxes were levied solely on Developed Property in Fiscal Year 2024-25 and the District expects to continue to levy Special Taxes solely on Developed Property until further development within the District occurs and Additional Bonds are issued. Cantabria Development is the owner of a 230 unit multi-family apartment complex within the District. See “THE COMMUNITY FACILITIES DISTRICT — Largest Taxpayers.” Until further development within the District occurs, if Cantabria Development is unwilling or unable to pay the Special Tax when due, a potential shortfall in the Special Tax Fund could occur, which would result in the depletion of the Reserve Fund prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Taxes and, consequently, a delay or failure in payments of the principal of or interest on the 2024 Bonds.

No property owner is obligated in any manner to continue to own or develop any of the land it presently owns within the District. The Special Taxes are not a personal obligation of any owner, developer or merchant builder of the parcels, and the District can offer no assurance that any current owner or any future owner will be financially able to pay such installments or that it will choose to pay even if financially able to do so.

Special Taxes Are Not Personal Obligations

The current and future owners of land within the District are not personally liable for the payment of the Special Taxes. Rather, the Special Tax is an obligation only of the land within the District. In the event of

foreclosure following delinquency, if the value of the development parcel within the District is not sufficient to fully secure the Special Tax, then the District has no recourse against the landowner under the laws by which the Special Tax has been levied and the 2024 Bonds have been issued.

The Bonds Are Limited Obligations of the District

The Bonds are not general obligations of the County or the District, but are special obligations of the District payable solely from the Net Special Tax Revenues and amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund under the Indenture.

The District has no obligation to pay principal of and interest on the Bonds in the event Special Tax collections are delinquent, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent. Neither the County nor the District is obligated to advance funds from any source other than amounts pledged under the Indenture to pay such debt service on the Bonds.

Property Values; Value-to-Lien Ratios

The value of the property within the District is a critical factor in determining the investment quality of the 2024 Bonds. If a property owner is delinquent in the payment of Special Taxes, the District's only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the Special Taxes. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, stricter land use regulations, delays in development or other events may adversely impact the security underlying the Special Taxes. There is no assurance that assessed values will not decline in the future. See "THE COMMUNITY FACILITIES DISTRICT — Estimated Assessed Value-to-Lien Ratios" herein.

The assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its current owner, adjusted annually by an amount determined by the Riverside County Assessor, generally not to exceed an increase of more than 2% per fiscal year. No assurance can be given that a parcel could actually be sold for its assessed value.

No assurance can be given that the estimated value-to-lien ratios as set forth in Table 2 and Tables 4 through 7 will be maintained over time. As discussed herein, many factors which are beyond the control of the District could adversely affect the property values within the District. The District 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 ratio of the property in the District. See "THE COMMUNITY FACILITIES DISTRICT — Estimated Assessed Value-to-Lien Ratios" and "SPECIAL RISK FACTORS — Burden of Parity Liens, Taxes and Other Special Assessments on the Taxable Property."

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 BONDS — Proceeds of Foreclosure Sales."

Burden of Parity Liens, Taxes and Other Special Assessments on the Taxable Property

While the Special Taxes are secured by the Taxable Property, the Taxable Property is subject to parity tax liens and assessments. Table 1 in the section entitled "THE COMMUNITY FACILITIES DISTRICT —

Estimated Direct and Overlapping Indebtedness” states the outstanding amount of governmental obligations (with stated exclusions) as of January 1, 2024, the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property and furthermore states the additional amount of general obligation bonds the tax for which, if and when issued, may become an obligation of one or more of the parcels of Taxable Property.

Various community facilities districts and assessment districts have been formed that overlap portions of the District. See Table 1 herein. One or more improvement districts or community facilities districts may be formed to finance costs relating to certain public facilities and other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax securing the 2024 Bonds.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the 2024 Bonds, the Special Tax may be subordinate only to certain governmental liens. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro-rata basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy.

While governmental taxes, assessments and charges are a common claim against the value of a parcel of Taxable Property, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to pay the Special Tax is a claim with regard to a hazardous substance. See “— Hazardous Substances” below.

The property owners within the District may have formed or are in the process of forming or plan to form additional community facilities districts with other public agencies for issuing bonds. The special tax liens securing these other bonds will be on a parity with the Special Tax liens securing the 2024 Bonds in the event of foreclosure. In such an event, the land in the District will have additional debt levied on it and such an event may decrease the likelihood of the ability or willingness of the landowners in the District to pay the Special Taxes.

Effect of Additional Bonds on Credit Quality

The District may at any time after the issuance and delivery of the 2024 Bonds issue Additional Bonds in an aggregate amount not to exceed \$77,275,000 payable from the Net Special Tax Revenues and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding 2018 Bonds, 2024 Bonds and any other Additional Bonds theretofore issued under the Indenture or under any Supplemental Indenture for the purpose of funding additional Facilities costs or for the purpose of refunding all or a portion of the 2018 Bonds, the 2024 Bonds or any Additional Bonds then Outstanding. Additional Bonds may only be issued subject to specific conditions, which are set forth in the Indenture and with which the District must be in compliance. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds.”

The Indenture permits the issuance of Additional Bonds. It is likely that, if Additional Bonds are issued, the value-to-lien ratio for certain parcels subject to the Special Tax will be lower than the ratios in Table 2 and Tables 4 through 6. If Additional Bonds are issued, the owners of the 2024 Bonds will not have any prior claim on the Special Taxes levied on the property within the District, but will have an equal claim with the owners of the 2018 Bonds and the Additional Bonds on the Net Special Tax Revenues collected within the District. Additional Bonds could also be issued at a time where certain of the property upon which

Special Taxes will be levied is undeveloped. This could result in Owners of the 2024 Bonds having to rely upon the payment of Special Taxes from Undeveloped Property.

Potential Early Redemption of Bonds from Special Tax Prepayments

Property owners within the District are permitted to prepay their Special Taxes at any time. Such payments will result in a mandatory redemption of Bonds from Special Tax prepayments on the Interest Payment Date for which timely notice may be given under the Indenture following the receipt of such Special Tax prepayment. The resulting redemption of Bonds purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See “THE 2024 BONDS — Redemption — *Mandatory Redemption from Special Tax Prepayments.*”

Disclosure to Future Purchasers

The District has recorded a Notice of Special Tax Lien, in the Office of the Riverside County Recorder on May 4, 2006 as Document No. 2006-0323346. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land or a home in the District or the 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 or ability of the purchaser or lessor to pay the Special Tax when due.

Local, State and Federal Land Use Regulations

There can be no assurance that land development operations within the District will not be adversely affected by future government policies, including, but not limited to, governmental policies which directly or indirectly restrict or control development. During the past several years, citizens of a number of local communities in California have placed measures on the ballot designed to control the rate of future development. During the past several years, state and federal regulatory agencies have significantly expanded their involvement in local land use matters through increased regulatory enforcement of various environmental laws, including the Endangered Species Act, the Clean Water Act and the Clear Air Act, among others. Such regulations can substantially impair the rate and amount of development without requiring just compensation unless the effect of the regulation is to deny all economic use of the affected property. 2024 Bondowners should assume that any event that significantly impacts the ability to construct homes on land in the District could cause the land values within the District to decrease substantially and could affect the willingness and ability of the owners of land to pay the Special Taxes when due or to proceed with development of land in the District. See “— Failure to Develop Properties” above.

Endangered and Threatened Species

It is illegal to harm or disturb species that have been listed as threatened or endangered by the U.S. Fish & Wildlife Service under the Federal Endangered Species Act or by the California Fish & Game Commission under the California Endangered Species Act without a permit. Thus, the presence of an endangered plant or animal could delay development of or reduce the value of undeveloped property in the District. Failure to develop the undeveloped property in the District or substantial delays in the completion of the development of the property may increase the amount of Special Taxes to be paid by the owners of undeveloped property and affect the willingness and ability of the owners of property within the District to pay

the Special Taxes when due. However, the District has no current plans to levy Special Taxes on Undeveloped Property.

Certain species covered by the County's MSHCP are present within the undeveloped property within the District. Development will proceed subject to compliance with the MSHCP and all other applicable federal and state requirements. See "THE COMMUNITY FACILITIES DISTRICT — Environmental Approvals and Permits."

Hazardous Substances

While governmental taxes, assessments, and charges are a common claim against the value of Taxable Property, other less common claims may occur. One of the most serious in terms of the potential reduction in the value of the parcels within the District is a claim with regard to hazardous substances. In general, the owners and operators of parcels within the District may be required by law to remedy conditions of the parcels related to the 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 substances condition of a property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any parcel within the District be affected by a hazardous substance, would be to reduce the marketability and value of the parcel by the costs of remedying the condition, because the owner (or operator) is obligated to remedy the condition. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling or disposing of it. All of these possibilities could significantly affect the financial and legal ability of a property owner to develop the affected parcel or other parcels, as well as the value of the property that is realizable upon a delinquency and foreclosure.

The assessed values of the property within the District do not take into account the possible reduction in marketability and value of any of the parcels of Taxable Property by reason of the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The District has not independently verified and is not aware that any of the owners (or operators) of property within the District have such a current liability with respect to any of the parcels of Taxable Property, except as expressly noted. However, it is possible that such liabilities do currently exist and that the District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels of Taxable Property 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 or disposing of it. All of these possibilities could significantly affect the value of a Taxable Property that is realizable upon a delinquency.

Insufficiency of the Special Tax

The principal source of payment of principal of and interest on the 2018 Bonds and the 2024 Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the District. The annual levy of the Special Tax is subject to the maximum tax rates authorized. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the 2018 Bonds and the 2024 Bonds. Other funds which might be available include funds derived from the payment of penalties on delinquent Special Taxes and funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Taxable Property and the amount of the levy of the Special Tax against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels and the proportionate share of debt service on the 2018 Bonds and the 2024 Bonds, and certainly not a direct relationship.

The Special Tax levied in any particular tax year on a Taxable Property is based upon the revenue needs of the District and application of the Rate and Method. Application of the Rate and Method will, in turn, be dependent upon certain development factors with respect to each Taxable Property by comparison with similar development factors with respect to the other Taxable Property within the District. Thus, in addition to annual variations of the revenue needs from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular Taxable Property to vary from the Special Tax that might otherwise be expected:

(1) Failure of the owners of Taxable Property to pay the Special Tax and delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

(2) Reduction in the amount of Taxable Property, for such reasons as acquisition of Taxable Property by a government agency and failure of the government agency to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

Except as set forth above under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein, the Indenture provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Proceeds of Foreclosure Sales” and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Beneficial Owners of 2024 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the District of the proceeds of sale if the Reserve Account is depleted. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Proceeds of Foreclosure Sales.”

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the 2024 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 bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments.

See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Proceeds of Foreclosure Sales,” for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Indenture, in the event of delinquencies in the payment of Special Taxes. See “SPECIAL RISK FACTORS — Bankruptcy and Foreclosure Delay” 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.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Rate and Method. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Rate and Method” herein. In addition, the Act provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. It is possible that property acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from the Special Tax. In addition, although 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, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. In the event that additional property is dedicated to the County or other public entities, this additional property might become exempt from the Special Tax.

The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

Depletion of Reserve Fund

The Reserve Fund is maintained in an amount equal to the Reserve Requirement. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Reserve Fund.” Funds in the Reserve Fund may be used to pay principal of and interest on the 2018 Bonds and the 2024 Bonds and any Additional Bonds issued in the future 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 Reserve Fund 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 2018 Bonds and the 2024 Bonds and any Additional Bonds issued in the future. However, no replenishment of the Reserve Fund 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, together with available funds, remain insufficient to pay all such amounts. Thus, it is possible that the Reserve Fund will be depleted and not replenished by the levy of the Special Taxes.

Potential Delay and Limitations in Foreclosure Proceedings

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 BONDS — Proceeds of Foreclosure Sales” and “SPECIAL RISK FACTORS — Bankruptcy and Foreclosure Delay” herein. In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

The ability of the District to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”) has or obtains an interest. The FDIC could obtain such an interest by taking over a financial institution which has made a loan which is secured by property within the District. See “SPECIAL RISK FACTORS — FDIC/Federal Government Interests in Properties.”

In addition, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and

other factors beyond control of the District or the County. Potential investors should assume that, under current conditions, it is estimated that a judicial foreclosure of the lien of Special Taxes will take up to two or three years from initiation to the lien foreclosure sale. At a Special Tax lien foreclosure sale, each parcel will be sold for not less than the “minimum bid amount” which is equal to the sum of all delinquent Special Tax installments, penalties and interest thereon, costs of collection (including reasonable attorneys’ fees), post-judgment interest and costs of sale. Each parcel is sold at foreclosure for the amounts secured by the Special Tax lien on such parcel and multiple parcels may not be aggregated in a single “bulk” foreclosure sale. If any parcel fails to obtain a “minimum bid,” the District may, but is not obligated to, seek superior court approval to sell such parcel at an amount less than the minimum bid. Such superior court approval requires the consent of a majority of the aggregate principal amount of the outstanding 2024 Bonds.

Delays and uncertainties in the Special Tax lien foreclosure process create significant risks for Beneficial Owners of the 2024 Bonds. High rates of special tax payment delinquencies which continue during the pendency of protracted Special Tax lien foreclosure proceedings, could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of property upon foreclosure. In that event, there could be a default in payment of the principal of, and interest on, the 2024 Bonds. See “— Concentration of Ownership” above.

Funds Invested in the County Investment Pool

On January 24, 1996, the United States Bankruptcy Court for the Central District of California held that a State statute providing for a priority of distribution of property held in trust conflicted with, and was preempted by, federal bankruptcy law. In that case, the court addressed the priority of the disposition of moneys held in a county investment pool upon bankruptcy of the county. Following payment of the Special Taxes to the District, such funds may be invested in the name of the District for a period of time in the County investment pool. In the event of a petition of or the adjustment of County debts under Chapter 9 of the Federal Bankruptcy Code, a court might hold that the Beneficial Owners of the 2024 Bonds do not have a valid and/or prior lien on the Special Taxes or debt service payments where such amounts are deposited in the County investment pool and may not provide the Beneficial Owners of the 2024 Bonds with a priority interest in such amounts. In that circumstance, unless the Beneficial Owners of the 2024 Bonds could “trace” the funds that have been deposited in the County investment pool, the Beneficial Owners of the 2024 Bonds would be unsecured (rather than secured) creditors of the County. There can be no assurance that the Beneficial Owners of the 2024 Bonds could successfully so trace the Special Taxes or debt service payments.

No Acceleration Provision

The 2024 Bonds do not contain a provision allowing for the acceleration of the 2024 Bonds in the event of a payment default or other default under the terms of the 2024 Bonds or the Indenture or in the event interest on the 2024 Bonds becomes included in gross income for federal income tax purposes. Pursuant to the Indenture and further subject to the prior lien of owners of 2024 Bonds, an owner is given the right for the equal benefit and protection of all owners of a series similarly situated to pursue certain remedies described in Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Bankruptcy and Foreclosure Delay

Bankruptcy, insolvency and other laws generally affecting creditors rights could adversely impact the interests of Beneficial Owners of the 2024 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 BONDS — Proceeds of Foreclosure Sales.” 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.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled In re Glasply Marine Industries. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on the property. Although the court upheld the priority of unpaid taxes imposed before the bankruptcy petition, unpaid taxes imposed after the filing of the bankruptcy petition were declared to be “administrative expenses” of the bankruptcy estate, payable after all secured creditors. As a result, the secured creditor was able to foreclose on the property and retain all the proceeds of the sale except the amount of the pre-petition taxes.

The Bankruptcy Reform Act of 1994 (the “Bankruptcy Reform Act”) included a provision which exempts from the Bankruptcy Code’s automatic stay provisions, “the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state if such tax comes due after the filing of the petition [by a debtor in bankruptcy court].” This amendment effectively makes the Glasply holding inoperative as it relates to *ad valorem* real property taxes. However, it is possible that the original rationale of the Glasply ruling could still result in the treatment of post-petition special taxes as “administrative expenses,” rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings.

According to the court’s ruling, as administrative expenses, post petition taxes would be paid, assuming that the debtor had sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise), it would at that time become subject to current *ad valorem* taxes.

The Act provides that the Special Taxes are secured by a continuing lien which is subject to the same lien priority in the case of delinquency as *ad valorem* taxes. No case law exists with respect to how a bankruptcy court would treat the lien for Special Taxes levied after the filing of a petition in bankruptcy. Glasply is controlling precedent on bankruptcy courts in the State. If the Glasply precedent was applied to the levy of the Special Taxes, the amount of Special Taxes received from parcels whose owners declare bankruptcy could be reduced.

The various legal opinions to be delivered concurrently with the delivery of the 2024 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.

FDIC/Federal Government Interests in Properties

The ability of the District to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to parcels in which the 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 District may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the 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 District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

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

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

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

Factors Affecting Parcel Values and Aggregate Value

Geologic, Topographic and Climatic Conditions; Natural Disasters. The value of the Taxable Property in the District in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on the parcels of Taxable Property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes and volcanic eruptions, topographic conditions such as earth movements, landslides, liquefaction, floods or fires, and climatic conditions such as tornadoes, droughts, and the possible reduction in water allocation or availability. If one or more of such conditions occur and results in damage to improvements of varying seriousness, such damage may entail significant repair or replacement costs and repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the Taxable Property may well depreciate or disappear. As required by the County General Plan and applicable Specific Plans, in certain cases, commercial uses and future homeowner's associations are required to prepare disaster preparedness plans that include evacuation procedures in the event of a disaster.

Seismic Conditions. The District, like all California communities, may be subject to unpredictable seismic activity. The occurrence of seismic activity in the District could result in substantial damage to properties in the District which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay their Special Taxes. Any major damage to structures as a result of seismic activity could result in greater reliance on undeveloped property in the payment of Special Taxes.

Legal Requirements. Other events which may affect the value of a parcel of Taxable Property in the District include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures.

District Formation

California voters, on June 6, 1978, approved an amendment ("Article XIII A") to the California Constitution. Section 4 of Article XIII A, requires a vote of two-thirds of the qualified electorate to impose "special taxes," or any additional *ad valorem*, sales or transaction taxes on real property. At an election held in the District pursuant to the Act, more than two-thirds of the qualified electors within the District, authorized the District to incur bonded indebtedness to finance the Facilities and approved the Rate and Method. The Supreme Court of the State of California has not yet decided whether landowner elections (as opposed to resident elections) satisfy requirements of Section 4 of Article XIII A, nor has the Supreme Court decided whether the special taxes of a District constitute a "special tax" for purposes of Article XIII A.

Section 53359 of the Act requires that 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 qualified electors. No such action has been filed with respect to the Special Tax.

Billing of Special Taxes

A special tax formula can result in a substantially heavier property tax burden being imposed upon properties within a community facilities district than elsewhere in a city or county, and this in turn can lead to problems in the collection of the special tax. In some community facilities districts the taxpayers have refused to pay the special tax and have commenced litigation challenging the special tax, the community facilities district and the bonds issued by the community facilities district.

Under provisions of the Act, the Special Taxes are billed to the properties within the District which were entered on the Assessment Roll of the County Assessor by January 1 of the previous fiscal year on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. These Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and installment payments of Special Taxes in the future. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Proceeds of Foreclosure Sales” for a discussion of the provisions which apply and procedures which the District is obligated to follow in the event of delinquency in the payment of installments of Special Taxes.

Inability to Collect Special Taxes

In order to pay debt service on the 2024 Bonds, it is necessary that the Special Tax levied against land within the District be paid in a timely manner. The District has covenanted in the Indenture under certain conditions to institute foreclosure proceedings against property with delinquent Special Tax in order to obtain funds to pay debt service on the 2024 Bonds. If foreclosure proceedings were instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. In the event such superior court foreclosure is necessary, there could be a delay in principal and interest payments to the owners of the 2024 Bonds pending prosecution of the foreclosure proceedings and receipt of the proceeds of the foreclosure sale, if any. No assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not obligate the District to purchase or otherwise acquire any lot or parcel of property sold at the foreclosure sale if there is no other purchaser at such sale. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Proceeds of Foreclosure Sales.”

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 2024 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 2024 Bonds.

It may be possible, however, for voters or the Board of Supervisors of the County 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 2024 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 2024 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 Indenture that it will not initiate proceedings under the Act to modify the Rate and Method if such modification would adversely affect the security for the 2024 Bonds. The District also will covenant in the Indenture that, if an initiative is adopted that purports to modify the Rate and Method in a manner that would adversely affect the security for the 2024 Bonds, the District will, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the 2024 Bonds. 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.”

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 County, or local districts to increase revenues or to increase appropriations or on the ability of the landowners within the District to complete the remaining proposed development.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the 2024 Bonds or, if a secondary market exists, that the 2024 Bonds can be sold at all or for any particular price. Although the District 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 of the 2024 Bonds 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.

Bond Insurance

In the event of default of the payment of the scheduled principal of or interest on the Insured Bonds when all or some becomes due, the Trustee on behalf of any owner of the Insured Bonds shall have a claim under the Insurance Policy for such payments. The Insurer may direct and must consent to any remedies with respect to the Insured Bonds and the Insurer's consent may be required in connection with amendments to any applicable documents relating to the Insured Bonds.

The long-term ratings on the Insured Bonds are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and the ratings on the Insured Bonds will not be subject to downgrade and such event could adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds. See "MISCELLANEOUS — Ratings" herein.

The obligations of the Insurer are unsecured contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

None of the County, the District or the Underwriter has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to make the payments on the Insured Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "BOND INSURANCE" herein for further information regarding the Insurer and the Insurance Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

Cybersecurity

The County and the District, like many other public and private entities, rely on computer and other digital networks and systems to conduct their operations. As a recipient and provider of personal, private or other sensitive electronic information, the County and the District are potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the efforts of the County and the District 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 County or the District, or the administration of the Bonds. The District is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes and the Trustee. No assurance can be given that the District and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Loss of Tax Exemption; Tax Treatment of the 2024 Bonds

As discussed under the caption "LEGAL MATTERS — Tax Matters," the interest on the 2024 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the 2024 Bonds as a result of an act or omission of the District in violation of certain provisions of the Code and the covenants of the Indenture. In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2024 Bonds, the District has covenanted in the Indenture not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the 2024 Bonds under Section 103 of the Internal Revenue Code of 1986. Should such an event of taxability occur, the 2024 Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory sinking fund redemption provisions of the Indenture. See "THE 2024 BONDS — Redemption."

Future legislation, if enacted into law, or clarification of the Code may cause interest on the 2024 Bonds to be subject, directly or indirectly, to federal 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 future legislation or clarification of the Code may also affect the market price for, or marketability of, the 2024 Bonds. Prospective purchasers of the 2024 Bonds should consult their own tax advisors regarding any enactment of any such future legislation, as to which Bond Counsel expresses no opinion.

It is possible that subsequent to the issuance of the 2024 Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the 2024 Bonds or the market value of the 2024 Bonds. No assurance can be given that subsequent to the issuance of the 2024 Bonds such changes or interpretations will not occur.

Limitations on Remedies

Remedies available to the Beneficial Owners of the 2024 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 2024 Bonds or to preserve the tax-exempt status of the 2024 Bonds.

Bond Counsel has limited its opinion as to the enforceability of the 2024 Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles 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 2024 Bonds.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), by and between the District and the Trustee, the District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") website, or other repository authorized under Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission, certain annual financial information and operating data concerning the District. The Annual Report to be filed by the District is the date in each year that is the first day of the month following the ninth month after the end of the District's fiscal year, which date, as of the date of this Disclosure Agreement, is April 1, beginning with the Annual Report for Fiscal Year 2024-25, and is to include audited financial statements of the District, if any. The full text of the Continuing Disclosure Agreement is set forth in Appendix D — "FORM OF CONTINUING DISCLOSURE AGREEMENT OF THE COMMUNITY FACILITIES DISTRICT."

Notwithstanding any provision of the Indenture, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an event of default under the Indenture. However, any holder of the 2024 Bonds may take such action as is necessary and appropriate, including seeking mandate or a judgment for specific performance, to cause the District to comply with its obligations with respect to the Continuing Disclosure Agreement.

During the last five calendar years the District has not failed to comply with its previous undertakings with regard to Rule 15c2-12 in any material respects, except as follows:

Within the last five years, the County and certain of its related entities have failed to comply in certain respects with continuing disclosure obligations related to outstanding indebtedness. The failure to comply fell into three general categories: (i) for Fiscal Year 2018-19 and Fiscal Year 2019-20, failure to provide timely significant event notices, most often with respect to changes in the ratings of outstanding indebtedness, and primarily related to changes in the ratings of various bond insurers insuring the indebtedness of the County or its related entities; (ii) for Fiscal Year 2018-19 through Fiscal Year 2022-23, missing, incomplete or late filing

of annual or quarterly reports, budgets or operating information with respect to a number of the bond issues; and (iii) for Fiscal Years 2018-19 through 2021-22, failure to file notice of incurrence of financial obligations. In almost every case with respect to obligations related to the County's General Fund, such information and reports were available on the County's website and/or available in other continuing disclosure filings made by the County, though not directly incorporated by reference across all prior issues filed with the Municipal Securities Rulemaking Board; and in all of the cases where a notice of failure to file was required to be filed, the County has filed such notices. The County and its related entities have reviewed their previous filings and have made corrective filings where material, including an omnibus corrective notice regarding bond insurer ratings and ratings of the County's General Fund debt.

In order to ensure ongoing compliance by the County and its related entities with their continuing disclosure undertakings, (i) the County has recently performed an evaluation of its policy and operating procedures to strengthen and ensure future compliance and coordination between the County and its related entities which include higher frequency of review as well as enhanced delineation of staff duties; and (ii) the County has contracted with a consultant to assist the County in filing accurate, complete and timely disclosure reports. The County will continue its review of its procedures to ensure continued compliance with the Rule.

LEGAL MATTERS

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the 2024 Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the 2024 Bonds is exempt from State of California personal income tax.

The difference between the issue price of a 2024 Bond (the first price at which a substantial amount of the 2024 Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the 2024 Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Beneficial Owner will increase the Beneficial Owner's basis in the applicable 2024 Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Beneficial Owner of the 2024 Bond is excluded from gross income of such Beneficial Owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Beneficial Owner of the 2024 Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the 2024 Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the 2024 Bonds to assure that interest (and original issue discount) on the 2024 Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2024 Bonds. The District will covenant to comply with all such requirements.

The amount by which a Beneficial Owner's original basis for determining loss on sale or exchange in the applicable 2024 Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the

Code; such amortizable bond premium reduces the Beneficial Owner's basis in the applicable 2024 Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Beneficial Owner realizing a taxable gain when a 2024 Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2024 Bond to the Beneficial Owner. Purchasers of the 2024 Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the 2024 Bonds permit certain actions to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any 2024 Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the 2024 Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the 2024 Bonds and the accrual or receipt of interest (and original issue discount) with respect to the 2024 Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the 2024 Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the 2024 Bonds.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2024 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2024 Bonds might be affected as a result of such an audit of the 2024 Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the 2024 Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the 2024 Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE 2024 BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE 2024 BONDS OR THE MARKET VALUE OF THE 2024 BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE 2024 BONDS. IT IS POSSIBLE THAT LEGISLATIVE CHANGES WILL BE INTRODUCED WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME OR STATE TAX BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE 2024 BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE 2024 BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE 2024 BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE 2024 BONDS.

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

Litigation

No litigation is pending or threatened concerning the validity of the 2024 Bonds, the use of Special Taxes to repay the 2024 Bonds, the powers or authority of the District with respect to the 2024 Bonds, or seeking to restrain or enjoin development of the land within the District and a certificate of the District to that effect will be furnished to the Underwriter at the time of the original delivery of the 2024 Bonds.

Legal Opinion

The validity of the 2024 Bonds and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth LLP, Bond Counsel and Disclosure Counsel to the District. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix E hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the County and the District by the County Counsel.

MISCELLANEOUS

Ratings

_____ (“[RATING AGENCY]”) has assigned the rating of “___” to the Insured Bonds based upon the delivery of the Insurance Policy by the Insurer at the time of issuance of the 2024 Bonds. See “BOND INSURANCE” herein.

In addition, [RATING AGENCY] is expected to assign its underlying rating of “___” to the 2024 Bonds, independent of the delivery of the Insurance Policy. Such ratings reflect only the views of [RATING AGENCY] and an explanation of the significance of such ratings may be obtained from [RATING AGENCY]. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by such organization, if in its judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2024 Bonds.

The District will covenant in its Continuing Disclosure Agreement for the 2024 Bonds to file on EMMA, notices of any ratings changes on the 2024 Bonds. See the caption “CONTINUING DISCLOSURE” and Appendix D. Notwithstanding such covenant, information relating to ratings changes on the 2024 Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the 2024 Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the 2024 Bonds after the initial issuance of the 2024 Bonds.

Verification of Mathematical Accuracy

Robert Thomas CPA, LLC, the Verification Agent, upon delivery of the 2024 Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them which were prepared by the Underwriter, relating to the sufficiency of moneys and securities deposited into the Escrow Fund to pay, when due, the principal, whether at maturity or upon prior prepayment, interest and prepayment premium requirements of the 2013 Bonds.

The report of the Verification Agent will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of its report.

Underwriting

The 2024 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”). The Underwriter has agreed to purchase the 2024 Bonds at a price of \$ _____, being \$ _____ aggregate principal amount thereof, less Underwriter’s discount of \$ _____ plus original issue premium of \$ _____). The purchase agreement relating to the 2024 Bonds provides that the Underwriter will purchase all of the 2024 Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in such purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell the 2024 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

Municipal Advisor

Fieldman, Rolapp & Associates, Inc. has acted as municipal advisor (the “Municipal Advisor”) to the District in conjunction with the issuance of the 2024 Bonds. The Municipal Advisor has assisted in matters related to the planning, structuring, execution, and delivery of the 2024 Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the 2024 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.

Financial Interests

The fees being paid to the Underwriter, Bond Counsel, Disclosure Counsel, the Special Tax Consultant and Municipal Advisor are contingent upon the issuance and delivery of the 2024 Bonds. From time to time, Bond Counsel and Disclosure Counsel represent the Underwriter on matters unrelated to the 2024 Bonds.

Pending Legislation

The District is not aware of any significant pending legislation which would have material adverse consequences on the 2024 Bonds or the ability of the District to pay the principal of and interest on the 2024 Bonds when due.

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the 2024 Bonds. Quotations and summaries and explanations of the 2024 Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions.

The execution and delivery of this Official Statement by an authorized representative of the District has been duly authorized by the Board of Supervisors of the County acting in its capacity as the legislative body of the District.

COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD) OF THE COUNTY OF RIVERSIDE

By: _____
County Executive Officer

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE

A Special Tax (all capitalized terms are defined in Section A. Definitions below), shall be levied on each Parcel of Taxable Property located within the boundaries of Community Facilities District No. 05-8 (Scott Road) of the County. The amount of Special Tax to be levied each Fiscal Year, commencing in Fiscal Year 2006-2007, on a Parcel of Taxable Property shall be determined by the Legislative Body, by applying the appropriate Special Tax for each category of Taxable Property as calculated consistent with Sections B., C., and D. All of the real property within the CFD, unless exempted by law, Section E. or non-taxable pursuant to Section H.1. or H.2. shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Acre or Acreage**” means the acreage of a Parcel as stated on the most recent Assessor’s Parcel Map, or if the acreage is not shown on such Assessor’s Parcel Map, the acreage as defined from the applicable Final Map, or similar instrument.

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

“**Administrative Expenses**” means all actual or reasonably estimated costs and expenses of the CFD as determined by the Administrator to be chargeable or allocable to the CFD and as are allowed by the Act and the Indenture, which shall include without limitation, all costs and expenses arising out of or resulting from the annual levy and collection of the Special Tax, Special Tax appeals, initiating and prosecuting a foreclosure action on a Parcel; all trustee/fiscal agent expenses and fees; the cost of rebate compliance calculation, initiating or defending any litigation involving the CFD, continuing disclosure undertakings of the CFD and/or the County, all communications with bondholders, property owners, or other interested persons; and the costs of County staff, consultants, and legal counsel incurred on behalf of the CFD in performing such administrative responsibilities.

“**Administrator**” means the County Executive Officer of the County, or his or her designee.

“**Annexed Property**” means Taxable Property that has been annexed into the CFD by the Legislative Body upon determination by the Administrator that (i) the Assigned Special Tax from the Parcel(s) is necessary to provide financing of the full Cost of the Facilities, and (ii) the Parcel(s) are within the area designated as potential Annexed Property as shown on Exhibit B.

“**Approved Property**” means, for each Fiscal Year, for which a Special Tax is being levied, all Parcels of Taxable Property not classified as Taxable Non-Residential Property, Taxable Property Owners’ Association Property and Taxable Public Property: (i) that are included in a Final Map that was recorded prior to the January 1st preceding said Fiscal Year, and (ii) that have not been issued a Building Permit prior to the April 1st preceding said Fiscal Year. Any Final Map recorded prior to July 1st of 2006 shall be treated for the purposes of setting the Assigned Special Tax for such Approved Property as if it were subject to the TUMF in effect as of July 1st of 2006.

“**Assessor’s Parcel Map**” means, for each Fiscal Year, the official map(s) of the Assessor of the County designating each Parcel by an Assessor’s parcel number.

“**Assigned Special Tax**” means the Special Tax determined in accordance with Section C., below.

“**Backup Special Tax**” means the Special Tax determined in Sections C.2.b. and C.3.b., below.

“**Bonds**” means any bonds or other debt (as defined in the Act) issued by the CFD and secured by the levy of Special Taxes.

“**Building Permit**” means a building permit issued for new construction of any Single Family Residential Unit or Multifamily Residential Unit. For purposes of this definition, Building Permit refers to a permit allowing for construction of a production unit as opposed to a building permit issued in conjunction with a grading permit allowing for the construction of model units.

“**CFD**” means Community Facilities District No.05-8 (Scott Road) of the County established pursuant to the Act.

“**CFD Boundary Map**” means the map recorded at CFD formation and annexation maps reflecting Annexed Property, Exhibit A.

“**Cost of the Facilities**” means the calculation of the cost of the Facilities to be constructed including financing costs, e.g. capitalized interest, funding a reserve fund, cost of issuance and underwriter’s discount, as determined by the Administrator.

“**County**” means the County of Riverside.

“**Developed Property**” means, for each Fiscal Year after formation of the CFD for which the Special Tax is being levied, each Parcel of Taxable Property not classified as Taxable Public Property, Taxable Property Owners’ Association Property and Taxable Non-Residential Property: (i) that is included in a Final Map that was recorded prior to January 1st preceding said Fiscal Year, and (ii) a Building Permit has been issued for a Single Family Residential Unit or a Multifamily Residential Unit on such Parcel prior to April 1st preceding said Fiscal Year. Parcels upon which a model unit has been constructed will be treated as Developed Property when any other Parcel within said Final Map is issued a Building Permit.

“**Exempt Property**” means, for each Fiscal Year, any Parcel which is exempt from Special Taxes pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

“**Existing Single Family Residential Unit**” means any constructed Single Family Residential Unit that is located on a Parcel (i) at the time the CFD is established or (ii) at the time a Parcel is annexed into the CFD.

“**Facilities**” means, the improvements, within the boundaries of Exhibit B, whose construction or acquisition is identified in the TUMF Program, including but not limited to: (i) the widening of Scott Road to four lanes between Antelope Road and Briggs Road including all associated appurtenances and any rights-of-way required from properties that have not been conditioned to dedicate such rights-of-way as a condition of development; (ii) the widening of the interchange at Interstate 215 and Scott Road and the modification of the ramps to meet future traffic demands including all associated appurtenances and any rights-of-way required from properties that have not been conditioned to dedicate such rights-of-way as a condition of development; (iii) the full width improvement to Scott Road from Antelope Road to State Route 79 including all associated appurtenances and any rights-of-way required from properties that have not been conditioned to dedicate such rights-of-way as a condition of development bringing into conformance said facility with the TUMF Program, as amended from time to time.

“Final Map” means a recorded final map, parcel map, or lot line adjustment, by which a subdivision of property has been made pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or a recorded condominium plan approved pursuant to California Civil Code Section 1352 that creates Parcels for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting on July 1 of any calendar year and ending on June 30 of the following calendar year, commencing July 1, 2006.

“July 1st” means the effective date in July of any adjustment to TUMF made pursuant to the TUMF Ordinance; provided that if no adjustment takes effect by July 25, “July 1st” means the first Business Day of July.

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

“Land Use Category” means any of the land use categories listed in Table 1, below.

“Legislative Body” means the Board of Supervisors of the County acting *ex officio* as the Legislative Body of the CFD.

“Maximum Special Tax” means, for each Fiscal Year, the maximum Special Tax, determined in accordance with Section C., which can be levied in such Fiscal Year on any Parcel.

“Multifamily Property” means, for each Fiscal Year, a Parcel designated to be developed with one or more Multifamily Residential Units as determined by the Administrator consistent with the TUMF Ordinance in effect on the date such determination is made; provided, however, that once a Parcel is categorized as Approved Property with a Land Use Category as Multifamily Property, said Parcel will not change Land Use Category should an amendment to the TUMF Ordinance alter the definition of Multifamily Residential Unit.

“Multifamily Residential Unit” has the meaning set forth in the TUMF Ordinance; provided that once a Parcel of Multifamily Property is categorized as Approved Property such Parcel will not change Land Use Category should an amendment to the TUMF Ordinance alter the definition.

“Multiple Land Use Property” means, for each Fiscal Year, any Developed Property assigned to more than one Land Use Category (e.g. one structure containing both Non-Residential Property uses and Residential Property uses).

“Non-Residential Floor Area” means, with regard to Multiple Land Use Property only, all of the square footage within the perimeter of all structures on a Parcel used for non-residential purposes, measured from outside wall to outside wall, exclusive of any overhangs, porches, patios, enclosed patios, car ports, walkways, garages or similar spaces attached to the building. The determination of the amount of Non-Residential Floor Area shall be made by the Administrator with reference to the building permit(s) issued for said Parcel, or if these are not available, as otherwise determined by the Administrator. Once such determination has been made for a Parcel, it shall remain fixed in all future Fiscal Years. Non-Residential Floor Area is to be treated as Non-Residential Property.

“Non-Residential Property” means, for each Fiscal Year, all Parcels for which a building permit may be issued for any type of non-residential use, provided, however, that if zoning allows either residential construction or non-residential construction, such property shall be categorized as Residential Property until such time as a building permit for non-residential use has been issued.

“Outstanding Bonds” means all Bonds deemed to be outstanding under the Indenture.

“Parcel” means, for each Fiscal Year, each lot or parcel within the boundary of the CFD as shown on an Assessor’s Parcel Map to which a parcel number has been assigned.

“Property Owners’ Association Property” means, for each Fiscal Year, any Parcel which, as of the January 1 preceding said Fiscal Year, is owned by a property owners’ association, including any master or sub-association.

“Proportionately” means for: (i) Developed Property, that the ratio of the actual Special Tax levy to the Assigned or Backup Special Tax, as applicable, is the same for all Parcels of Developed Property, (ii) Approved Property, that the ratio of the actual Special Tax levy to the Assigned or Backup Special Tax, as applicable, is the same for all Parcels of Approved Property, (iii) Undeveloped Property, that the ratio of the actual Special Tax levy per taxable Acre to the Assigned or Maximum Special Tax per taxable Acre is the same for all Parcels of Undeveloped Property, (iv) Taxable Non-Residential Property, that the ratio of the actual Special Tax levy per taxable Acre to the Maximum Special Tax per taxable Acre is the same for all Parcels of Taxable Non-Residential Property, (v) Taxable Property Owners’ Association Property, that the ratio of the actual Special Tax levy per taxable Acre to the Maximum Special Tax per taxable Acre is the same for all Parcels of Taxable Property Owners’ Association Property, and (vi) Taxable Public Property, that the ratio of the actual Special Tax levy per taxable Acre to the Maximum Special Tax per taxable Acre is the same for all Parcels of Taxable Public Property.

“Public Property” means, for each Fiscal Year, any Parcel within the boundary of the CFD which, as of the January 1 preceding said Fiscal Year, is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the County, or any other public agency, provided, however, that any Parcel leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

“Residential Floor Area” means, with regard to Multiple Land Use Property only, all of the square footage within the perimeter of all structures on a Parcel used for residential purposes, measured from outside wall to outside wall, exclusive of any overhangs, porches, patios, enclosed patios, car ports, walkways, garages or similar spaces attached to the building. The determination of the amount of Residential Floor Area shall be made by the Administrator with reference to the building permit(s) issued for said Parcel, or if these are not available, as otherwise determined by the Administrator. Once such determination has been made for a Parcel, it shall remain fixed in all future Fiscal Years. Residential Floor Area shall be treated as Residential Property.

“Residential Property” means, for each Fiscal Year, Developed Property and Approved Property for which a Building Permit for residential units may be issued, as determined by the Administrator.

“Single Family Property” means, for each Fiscal Year, a Parcel designated to be developed with one or more Single Family Residential Units as determined by the Administrator; provided, however, that once a Parcel is categorized as Approved Property, said Parcel will not change Land Use Category should an amendment to the TUMF Ordinance alter the definition of Single Family Residential Unit.

“Single Family Residential Unit” has the meaning set forth in the TUMF Ordinance; provided that once a Parcel of Single Family Property is categorized as Approved Property such Parcel will not change Land Use Category should an amendment to the TUMF Ordinance alter the definition.

“Special Tax” means, (i) prior to the issuance of any Bonds, the special tax to be levied in any Fiscal Year on each Parcel of Developed Property to be applied towards the Cost of Facilities, and,

(ii) subsequent to the issuance of the first series of Bonds, the special tax to be levied in any Fiscal Year on each Parcel of Taxable Property to provide funding for the Special Tax Requirement.

“Special Tax Factor” means the factor stated in column (4) of Table 1 that is to be applied to establish the Assigned Special Tax for Single Family Property and Multifamily Property which is Developed Property or Approved Property.

“Special Tax Requirement” means, for each Fiscal Year, that amount required in each Fiscal Year to pay: (i) annual debt service on all Outstanding Bonds due in the calendar year which commences in such Fiscal Year; (ii) periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) Administrative Expenses; (iv) an amount equal to any shortfall due to Special Tax delinquencies experienced in the prior Fiscal Year; (v) for acquisition or construction of Facilities provided such amount does not cause an increase in the Special Tax levy on Approved Property, Undeveloped Property, Taxable Property Owners’ Association Property, Taxable Public Property or Taxable Non-Residential Property; and (vi) any amounts required to establish or replenish any reserve funds for the Bonds; less (vii) a credit for funds available to reduce the annual Special Tax levy as determined pursuant to the Indenture.

“Taxable Non-Residential Property” means, for each Fiscal Year, any Parcel of Non-Residential Property which is not Exempt Property pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

“Taxable Property” means, for each Fiscal Year, all Parcels in the CFD which are not Exempt Property pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

“Taxable Property Owners’ Association Property” means, for each Fiscal Year, any Parcel of Property Owners’ Association Property which is not Exempt Property pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

“Taxable Public Property” means, for each Fiscal Year, any Parcel of Public Property which is not Exempt Property pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

“TUMF” means the fee authorized pursuant to the TUMF Ordinance.

“TUMF Ordinance” means Ordinance 824.1 of the County of Riverside as amended from time to time.

“TUMF Percentage Change” means, the percentage increase in the respective TUMF applicable to a Single Family Residential Unit or a Multifamily Residential Unit, as of July 1st of the prior calendar year to July 1st of the current calendar year, beginning with the increase from the respective TUMF in effect as of July 1st of 2005 to the TUMF in effect as of July 1st of 2006.

“TUMF Program” means the Western Riverside County Transportation Uniform Mitigation Fee Program as established by the TUMF Ordinance.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property including residentially zoned property which has not become Approved Property or Developed Property, excluding Taxable Public Property, Taxable Property Owners’ Association Property and Taxable Non-Residential Property which has not become Approved Property or Developed Property and which is not Exempt Property pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year in which the Special Tax is levied, each Parcel of Taxable Property shall be categorized as either Undeveloped Property, Approved Property, Developed Property, Taxable Public Property, Taxable Property Owners' Association Property or Taxable Non-Residential Property, and shall be subject to the levy of Special Tax in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C., and D., below. Approved Property and Developed Property shall further be classified as Single Family Property or Multifamily Property.

Any Existing Single Family Residential Unit shall be subject to the levy of the Special Tax as Undeveloped Property. Once a Final Map is recorded that includes the Parcel on which the Existing Single Family Residential Unit is constructed, then: (i) if said Final Map creates a Parcel for the Existing Single Family Residential Unit while such Existing Single Family Residential Unit remains on said Parcel, then said Parcel shall not be subject to the levy of the Special Tax, and the Taxable Property within the boundaries of said Final Map will be treated as Approved Property, or (ii) if said Final Map indicates that the Existing Single Family Residential Unit has been demolished and one or more Parcels have been created over the site on which the Existing Single Family Residential Unit stood, the resulting Parcel(s) and the Taxable Property within the boundaries of said Final Map are to be classified as Approved Property or Developed Property, as applicable.

When Parcels are annexed into the CFD, the Legislative Body shall adopt annexation maps to reflect the inclusion of the Annexed Property.

C. ASSIGNED AND MAXIMUM SPECIAL TAX RATES

1. Undeveloped Property, Taxable Non-Residential Property, Taxable Property Owners' Association Property and Taxable Public Property.

Maximum Special Tax

As of July 1st of 2005 the Maximum Special Tax for each Parcel of Undeveloped Property, Taxable Non-Residential Property, Taxable Property Owners' Association Property and Taxable Public Property is the amount per Acre stated in column (5) of Table 1 times the Acreage of the Parcel.

On July 1st of each Fiscal Year commencing July 1st of 2006, the Maximum Special Tax per Acre for Undeveloped Property, Taxable Non-Residential Property, Taxable Property Owners' Association Property and Taxable Public Property shall increase by the greater of 2.00% or the TUMF Percentage Change for a Single Family Residential Unit for the period beginning on July 1st of the prior calendar year to the next succeeding July 1st on which date the calculation is being made.

2. Approved Property

a. Assigned Special Tax

Upon determination that a Parcel of Taxable Property is Approved Property, (i) the Assigned Special Tax for each Parcel to be developed as Single Family Property, as shown on the Final Map, shall be the product of the TUMF for a Single Family Residential Unit in effect on the July 1st preceding the recordation date of the Final Map multiplied by the Special Tax Factor, and (ii) the Assigned Special Tax for each Parcel that is to be developed as Multifamily Property shall be the product of the TUMF for a Multifamily Residential Unit in effect on the July 1st preceding the

recording date of the Final Map multiplied by the number of proposed dwelling units as shown on the Final Map or as determined by the Administrator, multiplied by the Special Tax Factor.

For any Parcel that becomes Approved Property prior to July 1st of 2006, the TUMF in effect on July 1st of 2006 shall be applied.

On July 1st of each Fiscal Year commencing July 1st of 2007, the Assigned Special Tax for any Parcel of Approved Property that was classified as such in the prior Fiscal Year shall increase by an amount equal to 2.00% of the Assigned Special Tax in effect for said Parcel for the prior Fiscal Year.

b. Maximum Special Tax

The Maximum Special Tax for each Parcel of Single Family Property and Multifamily Property that is Approved Property shall be the greater of: (i) the applicable Assigned Special Tax as determined by Section C.2.a. or (ii) the amount derived by application of the Backup Special Tax.

Backup Special Tax

Upon determination that a Parcel of Taxable Property is Approved Property, the Backup Special Tax for each Parcel of Single Family Property and Multifamily Property that is Approved Property shall be established as the Assigned Special Tax for such Parcel at the time such Taxable Property becomes Approved Property. On July 1st of each Fiscal Year commencing July 1st of 2007, the Backup Special Tax for any Parcel of Approved Property that was classified as such in the prior Fiscal Year shall increase by an amount equal to 2.00% of the Backup Special Tax in effect the prior Fiscal Year.

Notwithstanding the foregoing, (i) if the number of Parcels of Single Family Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax will be recalculated for the Parcels of Single Family Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each Parcel of Single Family Property within such changed area shall equal the aggregate Backup Special Tax within the changed area prior to the change or modification in such Final Map divided by the number of Parcels of Single Family Property within such area and (ii) if the number of Parcels of Multifamily Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax will be recalculated for the Parcels of Multifamily Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each Parcel of Multifamily Property within such changed area shall equal the aggregate Backup Special Tax within the changed area prior to the change or modification in the Final Map divided by the revised number of Parcels of Multifamily Property within such area.

3. Developed Property

a. Assigned Special Tax

Upon determination that any Parcel within a Final Map of Taxable Property is Developed Property, (i) the Assigned Special Tax as Developed Property for each Parcel within the Final Map to be developed as Single Family Property, as shown on

the Final Map, shall be established as the greater of (a) product of the TUMF for a Single Family Residential Unit in effect on the July 1st preceding the date the first Building Permit is issued for a Parcel of Single Family Property within that Final Map multiplied by the Special Tax Factor or (b) the Assigned Special Tax in effect for such Parcels as Approved Property increased by 2.00% per Fiscal Year since the Parcel became Approved Property, and (ii) the Assigned Special Tax as Developed Property for each Parcel within the Final Map to be developed as Multifamily Property, as determined by the Administrator, shall be established as the greater (a) the product of the TUMF for a Multifamily Residential Unit in effect on the July 1st preceding the date the first Building Permit is issued for a Parcel of Multifamily Property within that Final Map multiplied by the number of dwelling units in the Building Permit for said Parcel, as determined by the Administrator, multiplied by the Special Tax Factor or (b) the Assigned Special Tax in effect for such Parcel as Approved Property increased by 2.00% per Fiscal Year since the Parcel became Approved Property.

The Special Tax established for Developed Property within a Final Map shall be applied to an individual Parcel within said Final Map only after a Building Permit has been issued for such Parcel.

For any Parcel that becomes Developed Property prior to July 1st of 2006, the TUMF effective on July 1st of 2006 shall be applied.

On July 1st of each Fiscal Year commencing July 1st of 2007, after a Parcel is determined to be Developed Property, the Assigned Special Tax for a Parcel of Developed Property shall increase by an amount equal to 2.00% of the Assigned Special Tax as Developed Property in effect for such Parcel of Developed Property as of July 1st of the prior Fiscal Year.

b. Maximum Special Tax

The Maximum Special Tax for each Parcel of Single Family Property and Multifamily Property that is Developed Property shall be the greater of: (i) the applicable Assigned Special Tax as determined by Section 3.a. above, or (ii) the amount derived by application of the Backup Special Tax.

Backup Special Tax

Upon determination that any Parcel of Taxable Property within a Final Map is Developed Property, the Backup Special Tax for each Parcel of Single Family Property and Multifamily Property within such Final Map shall be established as the Assigned Special Tax for such Parcel at the time such Parcel's Developed Property Assigned Special Tax rate is established. On July 1st of each Fiscal Year commencing July 1st of 2007, the Developed Property Backup Special Tax for any Parcel within such Final Map shall increase by an amount equal to 2.00% of the Backup Special Tax in effect for such Final Map the prior Fiscal Year.

Notwithstanding the foregoing, (i) if the number of Parcels of Single Family Property in a specific Final Map whose Assigned Special Tax as Developed Property has been established is subsequently changed or modified, then the Backup Special Tax will be recalculated for the Parcels of Single Family Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each Parcel of Single Family Property within such changed area shall equal the aggregate

Backup Special Tax within the changed area prior to the change or modification in such Final Map divided by the number of Parcels of Single Family Property within such area and (ii) if the number of Parcels of Multifamily Property in a specific Final Map whose Assigned Special Tax as Developed Property has been established is subsequently changed or modified, then the Backup Special Tax will be recalculated for the Parcels of Multifamily Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each Parcel of Multifamily Property within such changed area shall equal the aggregate Backup Special Tax within the changed area prior to the change or modification in the Final Map divided by the revised number of Parcels of Multifamily Property within such area.

4. Multiple Land Use Property

In some instances a Parcel of Developed Property may be assigned to more than one Land Use Category. The Assigned Special Tax levied on the Residential portion of such a Parcel shall be the sum of the Assigned Special Tax levies for Residential Land Use Category on that Parcel. The Maximum Special Tax levied on the Residential portion of a Parcel shall be the Maximum Special Tax levy that can be imposed on the Residential Land Use Category on that Parcel. The Taxable Non-Residential portion of such parcel shall be subject to the Special Tax in Accordance with the Fifth step of Section D, below.

For purposes of calculating the Backup Special Tax for the Residential Land Use Category of Developed Property under such circumstances, the Acreage assigned to the Residential Land Use Category shall be based on the proportion of Residential Floor Area or Non-Residential Floor Area that is built for each Land Use Category as compared with the Total Floor Area built on the Parcel. The Administrator shall determine all allocations made under this section, and all such allocations shall be final.

TABLE 1
Special Taxes
For Fiscal Year 2005-2006

<i>(1)</i> <i>Land Use Category</i>	<i>(2)</i> <i>Taxable Parcel/Acre</i>	<i>(3)</i> <i>Current TUMF as of July 1st, 2005</i>	<i>(4)</i> <i>Special Tax Factor</i>	<i>(5)</i> <i>Assigned Special Tax Per Parcel/Unit/Acre</i>
1 – Developed Single Family Property	Parcel	\$7,248	11.3%	\$ 819.02
2 – Approved Single Family Property	Parcel	\$7,248	11.3%	\$ 819.02
3 – Developed Multifamily Property	Unit	\$5,021	11.3%	\$ 567.37
4 – Approved Multifamily Property	Unit	\$5,021	11.3%	\$ 567.37
5 – Undeveloped Property	Acre	N/A	N/A	\$ 2,018.94
6 – Taxable Public Property, Taxable Property Owners’ Association Property and Taxable Non-Residential Property	Acre	N/A	N/A	\$ 2,018.94

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2006-2007 and for each following Fiscal Year, the Legislative Body shall levy the Special Tax on all Taxable Property in accordance with the following steps:

First: Prior to the issuance of any series of Bonds, the Special Tax shall be levied on each Parcel of Developed Property for which a Building Permit has been issued at 100% of the applicable Assigned

Special Tax to be applied to the Cost of the Facilities; subsequent to the issue of the first series of Bonds, the Special Tax shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement;

Second: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Parcel of Approved Property at up to 100% of the applicable Assigned Special Tax, as needed to satisfy the Special Tax Requirement;

Third: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement;

Fourth: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax levied on each Parcel of Approved Property and Developed Property shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Parcel as needed to satisfy the Special Tax Requirement;

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Taxable Non-Residential Property up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement;

Sixth: If additional moneys are needed to satisfy the Special Tax Requirement after the first five steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Taxable Property Owners' Association Property at up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement;

Seventh: If additional moneys are needed to satisfy the Special Tax Requirement after the first six steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property at up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.

Notwithstanding the above, under no circumstances shall the Special Taxes levied against any Parcel of Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default by the owner of any other Parcel within the CFD.

E. EXEMPTIONS

Land conveyed or irrevocably offered for dedication to a public agency after formation of the CFD and not otherwise exempt pursuant to this Section E, shall be subject to the levy of Special Tax pursuant to Section 53317.3 or 53317.5 of the Act.

The Special Tax shall not be imposed upon any of the following:

The Legislative Body shall not levy Special Taxes on up to 569 Acres of Public Property, Property Owners' Association Property or Non-Residential Property within the CFD which include, but are not limited to, public streets, water and sewer facilities, flood control drainage channels, public schools or property dedicated and restricted for the use as open space, park, habitat reserve, golf course clubhouse or recreational facilities, non-residential development, or utility property utilized for the provision of services to the public or a property encumbered with public or utility easements making impractical its utilization for other than the purpose set forth in the easement.

After the limit of Acres above has been reached, the Administrator will review additional requests for Exempt Property to verify that Special Taxes that could be levied on Taxable Property in each Fiscal Year, assuming such exemption were approved and assuming the current status of development and the expected development plan for all Parcels within the CFD for which an approved tentative tract map has been issued, are at least 110% of the annual debt service requirements for each Fiscal Year through maturity of the Outstanding Bonds plus estimated annual Administrative Expenses, and if all Bonds of the CFD have not been issued, an amount that takes into account Bonds to be issued for the full Cost of the Facilities. If Special Taxes will not provide at least 110% of the debt service requirements through maturity of the Outstanding Bonds plus estimated annual Administrative Expenses, plus, if all Bonds of the CFD have not been issued, an amount such that taking into account Bonds to be issued for the full Cost of the Facilities, the Special Tax obligation for any additional Public Property and/or Property Owners' Association Property and/or Non-residential Property may prepay pursuant to the provision within Section H., below. Until the Special Tax obligation is prepaid as provided for in the preceding sentence, the parcel will be categorized as Taxable Non-Residential Property, Taxable Property Owners' Association Property and/or Taxable Public Property and will be subject to the levy of the Special Tax as provided for in the Fifth step, the Sixth step and the Seventh step of Section D. above.

For Annexed Property, increases to the stated amount of Exempt Property Acres as stated in the third paragraph of this Section E. will be increased as determined appropriate by the Administrator.

F. MANNER OF COLLECTION, PENALTIES, PROCEDURE AND LIEN PRIORITY

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

G. APPEALS

Any owner of a Parcel claiming that the amount of the Special Tax levied on such Parcel is not correct and/or requesting a refund may file a written notice of appeal with the Administrator once the Special Tax in dispute has been paid but, not later than 12 months after the mailing of the property tax bill on which the Special Tax appears. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, convene the CFD Special Tax Review Board and decide the appeal. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

H. PREPAYMENT OF SPECIAL TAX

The Maximum Special Tax obligation may only be prepaid and permanently satisfied by a Parcel of Developed Property or Public Property, Property Owners' Association Property and/or Non-residential Property that is not Exempt Property pursuant to Section E. The Maximum Special Tax obligation applicable to such Parcel may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment.

No Special Tax prepayment in full or prepayment in part shall be allowed unless the amount of Maximum Special Taxes, based on the categorization and classification hereunder of all Parcels on the

date of the calculation, that may be levied on Taxable Property in each Fiscal Year commencing with the Fiscal Year of the proposed prepayment is at least equal to the sum of (a) 1.1 times the debt service on the Outstanding Bonds due in the calendar year which commences in such Fiscal Year (assuming a full year's debt service); plus (b) the Administrative Expenses for such Fiscal Year.

An owner of a Parcel intending to prepay the Maximum Special Tax obligation for the Parcel shall provide the Administrator with written notice of intent to prepay, and within 15 business days of receipt of such notice, the Administrator shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by the CFD in calculating the Prepayment Amount (as defined below) for the Parcel. Within 15 business days of receipt of such non-refundable deposit, the Administrator shall notify such owner of the Prepayment Amount for the Parcel. Prepayment must be made not less than 60 business days prior to any redemption date, unless authorized by the Administrator, for any Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

1. Prepayment in Full – Before the Administrator has determined that the full Cost of the Facilities has been provided for

The prepayment before the Full Cost of the Facilities has been provided for shall equal the present value of the remaining payments of the Special Tax (computed assuming that the Maximum Special Tax will be paid through Fiscal Year 2049-2050, starting from December 10th of the Fiscal Year of the prepayment and annually on such date thereafter and using a discount rate equal to 7.00% per year), and provided that the foregoing Prepayment Amount shall be increased if the Administrator determines that such increase is necessary so that the total Prepayment amount will be at least equal to the Parcel's TUMF obligation and estimated Administrative Expenses. The CFD shall not be obligated to redeem Bonds, but may apply the Prepayment Amount and Bond Redemption Amount towards the Costs of the Facilities.

With respect to any Parcel for which the Special Tax obligation is prepaid, the Legislative Body shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien for the Parcel, and the obligation of the Parcel to pay the Special Tax shall cease.

2. Prepayment in Full – After the Administrator has determined that the full Cost of the Facilities has been provided for

The Prepayment Amount (defined below) after the Full Cost of the Facilities has been provided for shall equal the sum of the amount as identified below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
Total:	equals Prepayment Amount

The Prepayment Amount shall be determined as of the proposed prepayment date as follows:

1. Confirm that no Special Tax delinquencies apply to such Parcel.
2. For Parcels of Developed Property, compute the Maximum Special Tax obligation for the current Fiscal Year for the Parcel. For Parcels of Public Property, Property

Owners' Association Property and/or Non-residential Property to be prepaid, compute the Maximum Special Tax obligation for the current Fiscal Year for the Parcel.

3. Divide the Maximum Special Tax obligation derived pursuant to paragraph 2 by the total calculated Maximum Special Taxes for the current Fiscal Year for the entire CFD.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the "*Bond Redemption Amount*").
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "*Redemption Premium*").
6. Determine the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds on which Bonds can be redeemed from Special Tax prepayments.
7. Determine the Special Taxes levied on the Parcel in the current Fiscal Year which have not yet been paid.
8. Compute the amount the Administrator reasonably expects to derive from the investment of the Bond Redemption Amount from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the Prepayment Amount.
9. Add the amounts derived pursuant to paragraphs 6 and 7 and subtract the amount derived pursuant to paragraph 8 (the "*Defeasance Amount*").
10. Verify the administrative fees and expenses, including the costs of computation of the Prepayment Amount, the costs to invest the Prepayment Amount, the costs of redeeming the Outstanding Bonds, and the costs of recording notices to evidence the prepayment of the Maximum Special Tax obligation for the Parcel and the redemption of Outstanding Bonds (the "*Administrative Fees and Expenses*").
11. The reserve fund credit (the "*Reserve Fund Credit*") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
12. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance Amount and the Administrative Fees and Expenses, less the Reserve Fund Credit (the "*Prepayment Amount*").
13. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and the Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds, make

debt service payments, or be applied towards the Costs of the Facilities. The Administrative Fees and Expenses shall be retained by the CFD.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such event, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next redemption from other Maximum Special Tax obligation prepayments of Outstanding Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 7 (above), the Administrator shall remove the current Fiscal Year's Special Tax levy for the prepaying Parcel from the County tax rolls. With respect to any Parcel for which the Special Tax obligation is prepaid, the Legislative Body shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien for the Parcel, and the obligation of the Parcel to pay the Special Tax shall cease.

3. Prepayment in Part – After the Administrator has determined that the full Cost of the Facilities has been provided for

The Maximum Special Tax on a Parcel of Developed Property may be partially prepaid in increments of \$5,000, only after the Administrator has determined that the full Cost of the Facilities has been provided for. For purposes of determining the partial prepayment amount, the provision of Section H.2 shall be modified as provided by the following formula:

$$PP = ((PE - A) \times F) + A$$

These terms have the following meaning:

PP = the partial prepayment

PE = the Prepayment Amount calculated according to Section H.2

F = the percent by which the owner of the Parcel(s) is partially prepaying the Maximum Special Tax obligation.

A = the Administrative Fees and Expenses determined pursuant to Section H.2

With respect to any Parcel for which the Maximum Special Tax obligation is partially prepaid, the Administrator shall (i) distribute the Partial Prepayment as provided in Paragraph 13 of Section H.2, and (ii) indicate in the records of the CFD that there has been a Partial Prepayment for the Parcel and that a portion of the Maximum Special Tax obligation equal to the remaining percentage (1.00 - F) of the Maximum Special Tax obligation will, and the Special Tax shall continue on the Parcel pursuant to Section D.

I. TERM OF THE SPECIAL TAX

Special Taxes shall be levied for the period necessary to satisfy the Special Tax Requirement, but in no event shall Special Taxes be levied after Fiscal Year 2049-2050 or the latest scheduled maturity of the final series of Bonds, whichever is sooner.

EXHIBIT A

BOUNDARY MAP

COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)

[TO BE INSERTED]

EXHIBIT B

BOUNDARIES – POTENTIAL ANNEXATION AREA
COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD)

[TO BE INSERTED]

APPENDIX B

GENERAL INFORMATION CONCERNING THE COUNTY OF RIVERSIDE

The following information concerning the County of Riverside (the “County”) is presented as general background information. The Bonds are not general obligations of the County but are limited obligations of Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the “District”), as more fully described in this Official Statement, and the taxing power of the County is not pledged to the payment of the Bonds.

Population

According to the State Department of Finance, Demographic Research Unit, the County’s population was estimated at 2,439,234 as of January 1, 2023, representing an approximately 0.3% increase over the County’s population as estimated for the prior year. This compares to the statewide population decrease of 0.4% for the same period. For the period of January 1, 2013 to January 1, 2023, the County’s population grew by approximately 8.1% cumulatively. The County is the tenth most populous county in the United States.

The following table sets forth annual population figures, as of April 1, 2020 for 2020 and as of January 1 for 2021-2023, for cities located within the County for each of the years listed:

TABLE 1
COUNTY OF RIVERSIDE
POPULATION OF CITIES WITHIN THE COUNTY
(As of April 1, 2020 for 2020; as of January 1 for 2021-2023)

<i>City</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Banning	30,621	30,592	30,856	31,250
Beaumont	53,318	53,945	54,349	56,590
Blythe	18,586	17,376	17,417	17,265
Calimesa	10,028	10,588	10,950	10,962
Canyon Lake	11,069	11,082	11,003	10,949
Cathedral City	51,356	51,599	51,621	51,433
Coachella	41,900	41,931	41,935	42,462
Corona	156,637	157,182	157,139	157,005
Desert Hot Springs	32,415	32,351	32,389	32,608
Eastvale	69,742	70,457	69,978	69,514
Hemet	89,325	89,302	89,170	89,918
Indian Wells	4,759	4,791	4,785	4,774
Indio	88,795	89,422	89,789	90,837
Jurupa Valley	104,828	105,131	105,154	104,983
Lake Elsinore	70,572	71,225	71,989	71,973
La Quinta	37,504	37,727	37,562	37,979
Menifee	102,466	104,323	107,411	110,034
Moreno Valley	208,237	208,387	208,302	208,289
Murrieta	110,702	111,024	110,592	109,998
Norco	26,659	24,680	25,035	25,037
Palm Desert	50,696	50,683	50,626	50,615
Palm Springs	44,206	44,312	44,165	44,092
Perris	78,614	78,867	78,474	78,948
Rancho Mirage	16,588	16,692	16,854	17,012
Riverside	316,307	309,598	314,818	313,676
San Jacinto	53,835	54,186	54,303	54,103
Temecula	109,820	109,881	109,468	108,899
Wildomar	36,720	36,713	36,438	36,336
TOTALS				
Incorporated	2,026,305	2,024,047	2,032,572	2,037,541
Unincorporated	391,880	394,680	398,404	401,693
County-Wide	<u>2,418,185</u>	<u>2,418,727</u>	<u>2,430,976</u>	<u>2,439,234</u>
California	39,538,223	39,286,510	39,078,674	38,940,231

Source: State Department of Finance, Demographic Research Unit, Report E-4 Population Estimates for Cities, Counties, and the State, 2021-2023, with 2020 Benchmark.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

Total personal income in Riverside County increased by 71.7% between 2012 and 2022. The following tables summarize personal income for Riverside County for 2012 through 2022.

PERSONAL INCOME
Riverside County
2012-2022
(Dollars in Thousands)

<i>Year</i>	<i>Riverside County</i>	<i>Annual Percent Change</i>
2012	\$74,093,810	2.7%
2013	76,470,084	3.2
2014	80,268,670	5.0
2015	85,386,347	6.4
2016	89,644,299	5.0
2017	93,156,635	3.9
2018	97,619,217	4.8
2019	102,037,774	4.5
2020	114,090,413	11.8
2021	125,820,553	10.3
2022	127,195,983	1.1

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

The following table summarizes per capita personal income for Riverside County, California and the United States for 2012-2022. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

PER CAPITA PERSONAL INCOME
Riverside County, State of California and the United States
2012-2022

<i>Year</i>	<i>Riverside County</i>	<i>California</i>	<i>United States</i>
2012	\$32,774	\$48,154	\$44,548
2013	33,450	48,549	44,798
2014	34,670	51,332	46,887
2015	36,418	54,632	48,725
2016	37,693	56,667	49,613
2017	38,605	58,942	51,550
2018	39,955	61,663	53,786
2019	41,385	64,513	56,250
2020	45,834	70,192	59,765
2021	51,180	76,614	64,143
2022	51,415	77,036	65,470

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

INDUSTRY AND EMPLOYMENT

Employment data by industry is not separately reported on an annual basis for the City but is compiled for the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (the “MSA”), which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the MSA has large and growing commercial and service sector employment, as reflected in the table below.

The following table represents the Annual Average Labor Force and Industry Employment for the County for the period from 2019 through 2023.

RIVERSIDE-SAN BERNARDINO-ONTARIO MSA INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE

	2019	2020	2021	2022	2023
Civilian Labor Force	2,071,600	2,091,700	2,120,600	2,148,700	2,171,500
Civilian Employment	1,987,500	1,885,400	1,964,300	2,058,400	2,068,800
Civilian Unemployment	84,000	206,200	156,300	90,200	102,700
Civilian Unemployment Rate	4.1%	9.9%	7.4%	4.2%	4.7%
Total Farm	15,400	14,100	13,700	13,800	13,100
Total Nonfarm	1,552,700	1,495,800	1,575,100	1,659,800	1,679,800
Total Private	1,291,500	1,247,800	1,333,100	1,409,800	1,418,900
Goods Producing	209,700	202,200	207,700	216,300	216,100
Mining & Logging	1,200	1,300	1,400	1,500	1,500
Construction	107,200	104,900	110,100	114,700	115,700
Manufacturing	101,300	96,000	96,100	100,000	98,900
Service Providing	1,343,000	1,293,700	1,367,400	1,443,500	1,463,700
Trade, Transportation & Utilities	395,100	406,900	443,200	464,900	456,500
Wholesale Trade	67,700	65,600	67,400	69,500	68,700
Retail Trade	180,700	168,800	177,000	181,000	182,700
Transportation, Warehousing & Utilities	146,600	172,500	198,800	214,400	205,100
Information	14,100	12,400	12,500	13,000	13,300
Financial Activities	45,000	44,100	45,200	46,000	44,900
Professional & Business Services	155,300	152,100	166,600	173,900	164,800
Educational & Health Services	250,300	248,800	254,300	267,500	287,500
Leisure & Hospitality	175,900	141,300	160,200	180,900	186,500
Other Services	46,200	40,200	43,600	47,400	49,300
Government	<u>261,200</u>	<u>248,000</u>	<u>242,000</u>	<u>250,000</u>	<u>260,900</u>
Total, All Industries	1,568,100	1,509,900	1,588,800	1,673,500	1,692,900

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The “Total, All Industries” data is not directly comparable to the employment data found in this Appendix C.

Source: State of California, Employment Development Department, March 2024 Benchmark.

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

LARGEST EMPLOYERS
County of Riverside
(As of June 30, 2023)

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	County of Riverside	25,366	County Government
2.	Amazon	14,317	E-Commerce
3.	March Air Reserve Base	9,600	Military Reserve Base
4.	Nestle UA	8,874	Grocery Wholesalers
5.	University of California-Riverside	8,623	University
6.	State of California	8,383	State Government
7.	Walmart	7,494	Retail Company
8.	Moreno Valley Unified School District	6,020	School District
9.	Kaiser Permanente Riverside Medical Center	5,817	Medical Center
10.	Corona-Norco Unified School District	5,478	School District

Source: County of Riverside Comprehensive Annual Financial Report for the year ending June 30, 2023.

The following table summarizes the labor force, employment and unemployment figures for the period from 2019 through 2023 for the County, the State and the nation as a whole.

**COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA AND UNITED STATES
Average Annual Civilian Labor Force, Employment and Unemployment**

<i>Year and Area</i>	<i>Labor Force</i>	<i>Employment⁽²⁾</i>	<i>Unemployment⁽³⁾</i>	<i>Unemployment Rate (%)</i>
2019				
County of Riverside	1,108,100	1,061,500	46,600	4.2%
State of California	19,409,400	18,612,600	796,800	4.1
United States ⁽⁴⁾	163,539,000	157,538,000	6,001,000	3.7
2020				
County of Riverside	1,121,100	1,008,000	113,000	10.1%
State of California	18,931,100	16,996,700	1,934,500	10.2
United States ⁽⁴⁾	160,742,000	147,795,000	12,947,000	8.1
2021				
County of Riverside	1,133,000	1,050,000	83,000	7.3%
State of California	18,923,200	17,541,900	1,381,200	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
2022				
County of Riverside	1,152,100	1,104,100	48,000	4.2%
State of California	19,252,000	18,440,900	811,100	4.2
United States	164,287,000	158,291,000	5,996,000	3.6
2023				
County of Riverside	1,157,900	1,102,300	55,600	4.8%
State of California	19,308,300	18,388,300	920,000	4.8
United States	167,116,000	161,037,000	6,080,000	3.6

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2023 Benchmark.

Commercial Activity

Commercial activity is an important factor in the County’s economy. Much of the County’s commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are five regional shopping malls in the County: Galleria at Tyler (Riverside), Hemet Valley Mall, Westfield Palm Desert Shopping Center, Moreno Valley Mall and the Promenade at Temecula. There are also three factory outlet malls (Desert Hills Factory Stores, Cabazon Outlets and Lake Elsinore Outlet Center) and over 200 area centers in the County.

The table below presents taxable sales for the years 2019 through 2023 for the County.

**TAXABLE SALES
County of Riverside
2019-2023
(Dollars in Thousands)**

<i>Year</i>	<i>Permits</i>	<i>Taxable Sales</i>
2019	64,063	\$40,626,998
2020	69,284	42,313,474
2021	64,335	55,535,196
2022	66,738	62,117,153
2023	68,670	61,094,594

Source: Taxable Sales in California, California Department of Tax and Fee Administration for 2019-2023.

Building Activity

The following tables provide summaries of the building permit valuations and the number of new dwelling units authorized in the City and County from 2018 through 2022.

**BUILDING PERMITS AND VALUATIONS
Riverside County
2018 through 2022
(Dollars in Thousands)**

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Valuation					
Residential	\$2,558,081	\$2,275,405	\$2,519,303	\$2,262,642	\$2,921,113
Non-Residential	<u>1,959,680</u>	<u>1,285,856</u>	<u>1,153,778</u>	<u>1,543,998</u>	<u>1,701,618</u>
Total	\$4,517,761	\$3,561,261	\$3,673,081	\$3,806,640	\$4,622,731
Units					
Single Family	7,540	6,563	8,443	7,360	8,863
Multi Family	<u>1,628</u>	<u>1,798</u>	<u>723</u>	<u>1,126</u>	<u>2,861</u>
Total	9,168	8,361	9,166	8,486	11,724

Note: Totals may not add to sums because of rounding.

Source: Construction Industry Research Board.

The following table sets forth the annual median housing prices for Los Angeles County, Riverside County, San Bernardino County and Southern California for the last five years.

TABLE 5
COUNTIES OF LOS ANGELES, RIVERSIDE AND SAN BERNARDINO
AND SOUTHERN CALIFORNIA
MEDIAN HOUSING PRICES

<i>Year</i>	<i>Los Angeles</i>	<i>Riverside</i>	<i>San Bernardino</i>	<i>Southern California⁽¹⁾</i>
2019	\$615,000	\$392,000	\$343,750	\$530,000
2020	670,000	430,000	380,000	575,000
2021	770,000	510,000	450,000	665,000
2022 ⁽²⁾	820,000	582,000	500,000	758,660
2023 ⁽³⁾	830,000	560,000	475,000	730,000

⁽¹⁾ Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.

⁽²⁾ Median housing prices reported for August 2022.

⁽³⁾ Median housing prices reported for June 2023.

Source: CoreLogic.

The following table sets forth the residential foreclosures recorded in Riverside County for the current and five most recently completed fiscal years.

TABLE 6
COUNTY OF RIVERSIDE
RESIDENTIAL FORECLOSURES

<i>Year</i>	<i>Foreclosures</i>
2018	1,233
2019	872
2020 ⁽¹⁾	314
2021 ⁽¹⁾	274
2022	407
2023 ⁽²⁾	179

⁽¹⁾ Foreclosures were lower in 2020 and 2021 than in prior years due to a moratorium on foreclosure of certain mortgage and court closures related to the COVID-19 pandemic.

⁽²⁾ Current through June 8, 2023.

Source: DQNews (2018-2021); County Assessor (2022-2023).

Agriculture

In 2022, principal agricultural products were nursery stock, milk, table grapes, eggs, bell peppers, lemons, alfalfa, turf grass, dates and avocados.

Four areas in the County account for a major portion of the agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County's eastern border.

Agricultural production in the County may be impacted by drought conditions. The County cannot predict the impact that a future prolonged drought would have on agricultural production in the County.

The following table sets forth the value of agricultural production in the County for the years 2018 through 2022, the last year being the most recent year of which data is currently available.

TABLE 7
COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Citrus Fruits	\$ 170,775,000	\$ 121,934,000	\$ 126,567,000	\$ 127,473,000	\$ 132,062,000
Trees and Vines	249,150,000	268,368,000	282,840,000	280,105,000	270,078,000
Vegetables, Melons, Misc.	371,570,000	354,217,000	334,440,000	324,895,000	328,326,000
Field and Seed Crops	93,282,000	141,652,000	156,114,000	135,033,000	159,419,000
Nursery	165,758,000	204,768,000	247,765,000	267,547,000	318,683,000
Apiculture	5,473,000	6,123,000	5,858,000	5,925,000	5,950,000
Aquaculture	4,732,000	4,776,000	4,596,000	4,873,000	5,749,000
Livestock and Poultry	<u>238,468,000</u>	<u>219,427,000</u>	<u>260,040,000</u>	<u>260,059,000</u>	<u>270,282,000</u>
Grand Total	\$ 1,299,208,000	\$ 1,321,265,000	\$ 1,418,220,000	\$ 1,405,910,000	\$ 1,490,459,000

Source: County of Riverside Agricultural Commissioner.

Transportation

Several major freeways and highways provide access between the County and all parts of Southern California. State Route 91 extends southwesterly from Riverside through Corona and connects with the Orange County freeway network. Interstate 10 traverses the County in an east-west direction, the western-most portion of which links up with major cities and freeways in Los Angeles County and San Bernardino County, with the eastern part linking the County's desert cities with Arizona. Interstates 15 and 215 extend northeasterly to Nevada, and Interstate 15 extends southerly to San Diego. State Route 60 provides an alternate (to Interstate 10) east-west link to San Bernardino County and Los Angeles County. The State Route 91 Express Lanes connect to the OCTA SR-91 Express Lanes at the Orange County/Riverside County line on the west and continue easterly to the Interstate 15/State Route 91 interchange opened in March 2017. When travelling along State Route 91 through Corona, vehicles are able to use either the tolled express lanes or the free general-purpose lanes. The Interstate 15 Express Lanes extend from the San Bernardino County line southerly to Cajalco Road in Corona and opened in April 2021.

Metrolink provides commuter rail service to Los Angeles, San Bernardino and Orange Counties from nine stations in western Riverside County, including the Perris Valley area. Transcontinental passenger rail service is provided by Amtrak with stops in Riverside and Palm Springs. Freight service to major west coast and national markets is provided by two transcontinental railroads – Union Pacific Railroad and the BNSF Railway Company. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. There are also four municipal transit operators in the western County providing services within the cities of Banning, Beaumont, Corona and Riverside. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, servicing the area from Desert Hot Springs to Oasis and from Palm Springs to Riverside. The Palo Verde Valley Transit Agency provides service in the far eastern portion of the County (City of Blythe and surrounding communities).

The County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Ontario International Airport Authority (OIAA) and was transferred by the City of Los Angeles to the OIAA in October 2016. Four major airlines schedule commercial flight service at Palm Springs International Airport. County-operated general aviation airports include those in Thermal, Hemet, Blythe, Chiriaco-Summit and French Valley. The cities of

Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Reserve Base, which converted from an active duty base to a reserve-only base on April 1, 1996. The March AFB Joint Powers Authority (the "JPA"), comprised of the County and the Cities of Riverside, Moreno Valley and Perris, is responsible for planning and developing joint military and civilian use. The JPA has constructed infrastructure improvements, entered into leases with private users and initialized a major business park project.

Education

There are three elementary school districts, one high school district, eighteen unified (K-12) school districts and four community college districts in the County. Approximately ninety percent of all K-12 students attend schools in the unified school districts. The three largest unified school districts are Corona-Norco Unified School District, Riverside Unified School District and Moreno Valley Unified School District.

There are nine two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley, Palo Verde Valley, Banning and Temecula. There are also three universities located in the City of Riverside -- the University of California, Riverside ("UCR"), La Sierra University and California Baptist University. The City of Palm Desert also has a UCR campus and California State University, San Bernardino campus.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture which are not described elsewhere in the Official Statement. This summary does not purport to be comprehensive, and reference should be made to the Indenture for a full and complete statement of its provisions.

[TO COME]

APPENDIX D

**FORM OF CONTINUING DISCLOSURE AGREEMENT OF
THE COMMUNITY FACILITIES DISTRICT**

Upon delivery of the 2024 Bonds, the District expects to enter into a Continuing Disclosure Agreement with respect to the 2024 Bonds in substantially the following form:

THIS CONTINUING DISCLOSURE AGREEMENT (this “Disclosure Agreement”), dated as of _____ 1, 2024, is by and between the COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE, a community facilities district organized and existing under and by virtue of the laws of the State of California (the “Community Facilities District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”).

W I T N E S S E T H :

WHEREAS, pursuant to the Indenture, dated as of February 1, 2013, by and between the Community Facilities District and the Trustee, as amended and supplemented by the First Supplemental Indenture, dated as of December 1, 2018, and the Second Supplemental Indenture, dated as of _____ 1, 2024, each by and between the Community Facilities District and the Trustee (as so amended and supplemented, the “Indenture”), the Community Facilities District has issued its Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024 (the “Series 2024 Bonds”), in the aggregate principal amount of \$ _____; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Community Facilities District and the Trustee for the benefit of the holders and beneficial owners of the Series 2024 Bonds and in order to assist the underwriter of the Series 2024 Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual premises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

“Annual Report” means any Annual Report provided by the Community Facilities District pursuant to, and as described in, Sections 2 and 3 hereof.

“Annual Report Date” means the date in each year that is the first day of the month following the ninth month after the end of the Community Facilities District’s fiscal year, which date, as of the date of this Disclosure Agreement, is April 1.

“Community Facilities District” means Community Facilities District No. 05-8 (Scott Road) of the County of Riverside, a community facilities district organized and existing under the laws of the State, and any successor thereto.

“Disclosure Representative” means the County Executive Officer or the Director of Finance of the County of Riverside, or such other person as the Community Facilities District shall designate in writing to the Trustee from time to time.

“Dissemination Agent” means the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Community Facilities District and which has filed with the Trustee a written acceptance of such designation.

“Financial Obligation” means (i) debt obligations, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, existing or planned debt obligations, or (iii) guarantee of (i) or (ii) above; but excluding municipal securities as to which a final official statement has been provided to MSRB consistent with the Rule.

“Indenture” means the Indenture, dated as of February 1, 2013, by and between the Community Facilities District and the Trustee, as amended and supplemented by the First Supplemental Indenture, dated as of December 1, 2018, and the Second Supplemental Indenture, dated as of _____ 1, 2024, each by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as Trustee, and as it may be amended or supplemented from time to time in accordance with its terms.

“Listed Events” means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

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

“Official Statement” means the Official Statement, dated _____, 2024, relating to the Series 2024 Bonds.

“Participating Underwriter” means the original underwriter of the Series 2024 Bonds required to comply with the Rule in connection with the offering of the Series 2024 Bonds.

“Rule” means 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.

“Trustee” means U.S. Bank Trust Company, National Association, as Trustee under the Indenture, or any successor thereto as Trustee thereunder, substituted in its place as provided therein.

Section 2. Provision of Annual Reports.

(a) The Community Facilities District shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2024-25 Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the Community Facilities District, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the

Community Facilities District's fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB.

(b) Not later than 15 business days prior to the Annual Report Date, the Community Facilities District shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Community Facilities District and the Dissemination Agent to determine if the Community Facilities District is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Trustee shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein;
and

(ii) file a report with the Community Facilities District and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided to the MSRB.

Section 3. Content of Annual Reports. The Community Facilities District's Annual Report shall contain or incorporate by reference the following:

(a) The Community Facilities District's audited financial statements, if any, 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 Community Facilities District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements, in a format similar to that used for the Community Facilities District's audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available.

(b) The following information:

(i) The principal amount of Series 2024 Bonds Outstanding and the principal amount of Bonds Outstanding as of the September 30 next preceding the Annual Report Date.

(ii) The balance in the Reserve Fund, and a statement of the Reserve Requirement as of the September 30 next preceding the Annual Report Date.

(iii) The aggregate assessed value of all parcels within the Community Facilities District on which the Special Taxes are levied in each property classification under the Rate and Method, as shown on the assessment roll of the Riverside County Assessor last equalized prior to the September 30 next preceding the Annual Report Date, the number of units in each property classification under the Rate and Method for the then current fiscal year, and a statement of assessed value-to-lien ratios therefor, either by individual parcel or by categories (e.g. "below 3:1", "3:1 to 4:1" etc.).

(iv) The Special Tax delinquency rate for all parcels within the Community Facilities District on which the Special Taxes are levied, as shown on the assessment roll of the Riverside County Assessor last equalized prior to the September 30 next preceding the Annual Report Date, the number of parcels within the Community Facilities District on which the Special Taxes are levied and which are delinquent in payment of Special Taxes, as shown on the assessment roll of the Riverside County Assessor last equalized prior to the September 30 next preceding the Annual Report Date, the amount of each delinquency, the length of time delinquent and the date on which foreclosure was commenced, or similar information pertaining to delinquencies deemed appropriate by the Community Facilities District; provided, however, that parcels with aggregate delinquencies of \$5,000 or less (excluding penalties and interest) may be grouped together and such information may be provided by category.

(v) The status of foreclosure proceedings for any parcels within the Community Facilities District on which the Special Taxes are levied and a summary of the results of any foreclosure sales as of the September 30 next preceding the Annual Report Date.

(vi) The identity of any property owner representing more than 5% of the annual Special Tax levy who is delinquent in payment of such Special Taxes, as shown on the assessment roll of the Riverside County Assessor last equalized prior to the September 30 next preceding the Annual Report Date.

(c) In addition to any of the information expressly required to be provided under the preceding paragraphs (a) and (b), the Community Facilities District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Community Facilities District or related public entities, which have been made available to the public on the MSRB's website. The Community Facilities District shall clearly identify each such other document so included by reference.

Section 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024 Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).

- (vi) Tender offers.
- (vii) Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar event of the Community Facilities District.

For purposes of the event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Community Facilities District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Community Facilities District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Community Facilities District.

- (x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Community Facilities District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section, the Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2024 Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

- (i) Unless described in paragraph (v) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2024 Bonds or other material events affecting the tax status of the Series 2024 Bonds.
- (ii) Modifications to rights of holders of the Series 2024 Bonds.
- (iii) Optional, unscheduled or contingent Series 2024 Bond calls.
- (iv) Release, substitution, or sale of property securing repayment of the Series 2024 Bonds.
- (v) Non-payment related defaults.
- (vi) The consummation of a merger, consolidation, or acquisition involving the Community Facilities District or the sale of all or substantially all of the assets of the Community Facilities, 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.

- (vii) Appointment of a successor or additional Trustee or the change of name of a Trustee.
- (viii) Incurrence of a Financial Obligation of the Community Facilities District, if material, or agreement to covenants, events of defaults, remedies, priority rights, or other terms of a Financial Obligation of the Community Facilities District, any of which affect security holders.

(c) The Trustee shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and inform such person of the event.

(d) If a Listed Event described in subsection (b) of this Section occurs, the Community Facilities District shall determine if such event would be material under applicable Federal securities law.

(e) If a Listed Event described in subsection (a) of this Section occurs, or if the Community Facilities District determines that the occurrence of a Listed Event described in subsection (b) of this Section would be material under applicable Federal securities law, the Community Facilities District shall, or shall cause the Dissemination Agent to, file a notice of the occurrence of such Listed Event with the MSRB, within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notices of Listed Events described in paragraph (vii) of subsection (a) of this Section and paragraph (iii) of subsection (b) of this Section need not be given any earlier than the notice (if any) of the underlying event is given to holders of affected Series 2024 Bonds pursuant to the Indenture.

Section 5. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The Community Facilities District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2024 Bonds. If such termination occurs prior to the final maturity of the Series 2024 Bonds, the Community Facilities District shall give notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The Community Facilities District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the Community Facilities District and the Trustee (if the Trustee is not the Dissemination Agent). The Dissemination Agent shall have no duty to prepare the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the Community Facilities District in a timely manner and in a form suitable for filing. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Community Facilities District and the Trustee may amend this Disclosure Agreement

(and the Trustee shall agree to any amendment so requested by the Community Facilities District; provided, however, that the Trustee 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 the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsection (a) or (b) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2024 Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Series 2024 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Series 2024 Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Series 2024 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Community Facilities District shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Community Facilities District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Community Facilities District 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 required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Community Facilities District chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Community Facilities District 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 or any other event required to be reported.

Section 10. Default. In the event of a failure of the Community Facilities District, the Trustee or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% of the aggregate principal amount of Outstanding Series 2024 Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee), or any Owner or Beneficial Owner of the Series 2024 Bonds may, take such actions as may be necessary and appropriate, including seeking

mandate or specific performance by court order, to cause the Community Facilities District, the Trustee or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Community Facilities District, the Trustee or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. Neither the Trustee nor the Dissemination Agent shall be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent permitted by law, the Community Facilities District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, and which are not due to its negligence or its willful misconduct. The obligations of the Community Facilities District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2024 Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Community Facilities District, the Trustee, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Series 2024 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD) OF THE COUNTY OF
RIVERSIDE

By: _____
County Executive Officer of the County of Riverside

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Community Facilities District No. 05-8 (Scott Road) of the County of Riverside

Name of Bond Issue: Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024

Date of Issuance: _____, 2024

NOTICE IS HEREBY GIVEN that Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the “Community Facilities District”) has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of _____ 1, 2024, by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as Trustee. [The Community Facilities District anticipates that the Annual Report will be filed by _____, 20__.]

Dated: _____

U.S. Bank Trust Company, National Association, as Trustee, on behalf of the Community Facilities District No. 05-8 (Scott Road) of the County of Riverside

cc: Community Facilities District No. 05-8 (Scott Road) of the County of Riverside

APPENDIX E
FORM OF OPINION OF BOND COUNSEL

[TO COME]

APPENDIX F

BOOK-ENTRY AND DTC

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the District and the Underwriter believe to be reliable, but neither the District nor the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose

accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

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

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

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

APPENDIX G
BOUNDARIES — POTENTIAL ANNEXATION AREA

APPENDIX H
SPECIMEN MUNICIPAL BOND INSURANCE POLICY