

Joint Community Facilities District

Goodyear City Hall - Canyon Trails Conference Room 1 & 2
1900 N. Civic Square
Goodyear, AZ 85395

**Monday, November 13, 2023****5:00 p.m.****Meeting Agenda****COMMUNITY FACILITIES DISTRICTS - CITY OF GOODYEAR, ARIZONA**

1. COMMUNITY FACILITIES GENERAL DISTRICT NO. 1
2. PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3
3. COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
4. WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT
5. WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT NO. 2
6. COTTONFLOWER COMMUNITY FACILITIES DISTRICT
7. ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
8. KING RANCH COMMUNITY FACILITIES DISTRICT
9. CENTERRA COMMUNITY FACILITIES DISTRICT
10. CORTINA COMMUNITY FACILITIES DISTRICT

Board members of the ten above mentioned Community Facilities Districts will attend either in person or by telephone conference call or video communications.

CALL TO ORDER**ROLL CALL****CITIZEN COMMENTS**

Non-Agenda items: This is the time for citizens who would like to address the District Board on any non-agenda item within the jurisdiction of the Goodyear Community Facilities District Board. Please complete a speaker card and give it to the Secretary. Each speaker is limited to three (3) minutes. Before you begin to speak, identify yourself by clearly stating for the record your name and whether you are a Goodyear resident. The Board will listen to comments and may take any one of the following actions:

- Respond to criticism
- Request that staff investigate and report on the matter
- Request that the matter be scheduled for on a future agenda

Agenda items: The Chairman will call for public comments as each agenda item is up for discussion. Please complete a speaker card for the Secretary, listing the agenda item on which you would like to speak. Each speaker is limited to three (3) minutes. Before you begin to speak, identify yourself by clearly stating for the record your name and whether you are a Goodyear resident.

CONSENT

The Community Facilities District Board may vote upon all matters contained within the consent agenda by a unanimous single vote of all those present at the meeting entitled to vote. Any matter may be removed from the consent agenda and considered as a singular item upon the request of any member of the District Board or any member of the public in attendance at the meeting.

1. **APPROVAL OF MINUTES**

Recommendation

Approve the draft minutes from the July 10, 2023 Joint Community Facilities District Meeting.
(Darcie McCracken, City Clerk)

2. **CONSENT TO ASSIGNMENT OF KING RANCH AGREEMENTS**

Recommendation

Approve and authorize District Treasurer to execute a Consent to Assignment in the draft form attached as Exhibit 1, providing the District's consent to KR TIC 1 LLC, an Arizona limited liability company, and KR TIC 2 LLC, an Arizona limited liability company (collectively the "KR Entities") taking assignment of the rights, title, interest in, and obligations under the existing "CFD Development Agreement" relating to the King Ranch Community Facilities District. (Jared Askelson, Deputy Finance Director)

PUBLIC HEARINGS

The following actions will take place for each public hearing item:

- A. Open the Public Hearing
- B. Staff Presentation
- C. Applicant Presentation (if applicable)
- D. Receive Public Comment
- E. Close the Public Hearing

3. **APPROVE THE FEASIBILITY REPORT RELATING TO ISSUANCE OF ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR) GENERAL OBLIGATION BONDS, SERIES 2023.**

Recommendation

ADOPT EMRCFD RES 2023-160 APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITING THE DISTRICT; AND DECLARING ITS PRELIMINARY INTENTION TO ISSUE NOT TO EXCEED \$15,500,000 GENERAL OBLIGATION BONDS TO FINANCE THE ACQUISITION OF CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY REPORT RELATING TO SUCH IMPROVEMENTS PURSUANT TO THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO. (Jared Askelson, Deputy Finance Director)

BUSINESS

4. **AUTHORIZE ACTIONS NECESSARY FOR THE ISSUANCE OF THE ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR) GENERAL OBLIGATION BONDS, SERIES 2023.**

Recommendation

ADOPT RESOLUTION EMRCFD RES 23-161 AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF ITS GENERAL OBLIGATION BONDS, SERIES 2023, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,500,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND SECURITY AGREEMENT, A BOND PURCHASE AGREEMENT RELATING TO THE BONDS, A STANDBY CONTRIBUTION AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; RATIFYING AND APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE LEVYING OF AN AD VALOREM TAX ON TAXABLE PROPERTY IN THE DISTRICT FOR THE PAYMENT OF THE BONDS; AND RATIFYING ALL ACTIONS TAKEN OR TO BE TAKEN TO FURTHER THIS RESOLUTION. (Jared Askelson, Deputy Finance Director)

INFORMATION ITEMS

Comments, Commendations, Report on Current Events and Presentations by Chairman, Boardmembers, staff or members of the public. The Board may not propose, discuss, deliberate or take any legal action on the information presented pursuant to A.R.S. § 38-431.02.

ADJOURNMENT

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Commission and to the general public that the Commission will hold a meeting open to the public. Public body members of the city of Goodyear will attend either in person or by telephone conference call and/or video communication.

THE CITY OF GOODYEAR ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48-hour advance notice, special assistance can be provided for sight and/or hearing-impaired persons at this meeting. Reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (623) 882-7830 or Arizona Relay (TDD) 7-1-1 to request an accommodation to participate in this public meeting.

For Non-English assistance please contact the City Clerk at (623) 882-7830.

Si necesita asistencia o traducción en español, favor de llamar al menos 48 horas antes de la reunión al (623) 882-7830.

POSTING VERIFICATION

This agenda was posted on 11/08/2023 at 4:05 p.m. by PP.

ITEM #: 1.
DATE: 11/13/2023
AI #:1770



APPROVAL OF MINUTES

SUBJECT

APPROVAL OF MINUTES

Recommendation

Approve the draft minutes from the July 10, 2023 Joint Community Facilities District Meeting. (Darcie McCracken, City Clerk)

Attachments

July 10, 2023 CFD draft minutes

Community Facilities District

Goodyear City Hall - Council Chambers

1900 N. Civic Square

Goodyear, AZ 85395



Monday, July 10, 2023

5:00 p.m.

Meeting Minutes

COMMUNITY FACILITIES DISTRICTS - CITY OF GOODYEAR, ARIZONA

1. COMMUNITY FACILITIES GENERAL DISTRICT NO. 1
2. PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3
3. COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
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10. CORTINA COMMUNITY FACILITIES DISTRICT

Board members of the ten above mentioned Community Facilities Districts will attend either in person or by telephone conference call or video communications.

CALL TO ORDER

Chairman Pizzillo called the Joint Community Facilities Districts meeting to order at 5:00 p.m.

ROLL CALL

Present: Chairman Joe Pizzillo; Vice Chairman Laura Kaino; Board Member Sheri Lauritano; Board Member Wally Campbell; Board Member Brannon Hampton; Board Member Vicki Gillis

Absent: Board Member Bill Stipp

Staff District Manager Wynette Reed; District Clerk Darcie McCracken

Present:

MOTION BY Board Member Sheri Lauritano, **SECONDED BY** Vice Chairman Laura Kaino to EXCUSE Board Member Stipp. The motion carried as follows:

AYE: Chairman Joe Pizzillo, Vice Chairman Laura Kaino, Board Member Sheri Lauritano, Board Member Wally Campbell, Board Member Brannon Hampton, Board Member Vicki Gillis

Passed - Unanimously

CITIZEN COMMENTS

There were no citizen comments.

CONSENT

MOTION BY Vice Chairman Laura Kaino, **SECONDED BY** Board Member Brannon Hampton to APPROVE Consent Agenda items 1 and 2. The motion carried as follows:

AYE: Chairman Joe Pizzillo, Vice Chairman Laura Kaino, Board Member Sheri Lauritano, Board Member Wally Campbell, Board Member Brannon Hampton, Board Member Vicki Gillis

Passed - Unanimously

1. APPROVAL OF MINUTES

2. MODIFICATION OF ASSESSMENTS WITHIN THE MONTECITO ASSESSMENT DISTRICT NO. 2

Recommendation

ADOPT RESOLUTION EMRCFD RES 2023-159 APPROVING THE MODIFICATION OF ASSESSMENTS IN ASSESSMENT NUMBER 005-04-068 WITHIN THE MONTECITO ASSESSMENT DISTRICT NO. 2. (Jared Askelson, Deputy Director of Finance)

INFORMATION ITEMS

There were no information items.

ADJOURNMENT

There being no further business to discuss, Chairman Pizzillo adjourned the CFD Meeting at 5:02 p.m.

Darcie McCracken, District Clerk

Date: _____

Joe Pizzillo, District Chairman

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the JOINT COMMUNITY FACILITIES DISTRICT MEETING of the city of Goodyear, Arizona, held on July 10, 2023. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2023.

Darcie McCracken, District Clerk

ITEM #: 2.
DATE: 11/13/2023
AI #:1727



COMMUNITY FACILITIES DISTRICT REPORT

SUBJECT: CONSENT TO ASSIGNMENT OF KING RANCH AGREEMENTS

STAFF PRESENTER(S): Jared Askelson, Deputy Finance Director

SUMMARY

Approve and authorize execution of Consent to Assignment of various agreements related to development within King Ranch Community Facilities District (CFD).

Recommendation

Approve and authorize District Treasurer to execute a Consent to Assignment in the draft form attached as Exhibit 1, providing the District's consent to KR TIC 1 LLC, an Arizona limited liability company, and KR TIC 2 LLC, an Arizona limited liability company (collectively the "KR Entities") taking assignment of the rights, title, interest in, and obligations under the existing "CFD Development Agreement" relating to the King Ranch Community Facilities District. (Jared Askelson, Deputy Finance Director)

FISCAL IMPACT

There will be no fiscal impact as a result of the assignment. The assignment will modify the parties entitled to the rights and interests and responsible for the obligations and liabilities under the various agreements.

BACKGROUND AND PREVIOUS ACTIONS

The original Development, Financing Participation and Intergovernmental Agreement No. 1 (King Ranch Community Facilities District) was executed between the City, District and EP-The King, LLC, on February 6, 2006. On July 31, 2007, the Assignment and Assumption of CFD Development Agreement transferred the interest in the agreements from EP-The King, LLC, to HE Capital KR, LLC.

STAFF ANALYSIS

HE Capital KR, LLC is in the process of selling certain property located within King Ranch to the KR Entities. HE Capital KR, LLC is asking the District to consent to the assignment by the HE Capital KR, LLC of its respective rights, title, interest in, and obligations under the CFD Development Agreement to the KR Entities upon the KR Entities' acquisition of the property that is subject to such CFD Development Agreement. The execution of the consent will have the effect of releasing HE Capital KR, LLC from liability under the CFD Development Agreement with respect to the property that is acquired by the KR Entities.

Staff is asking the District Board to authorize the District Treasurer to execute a Consent to Assignment substantially in the form attached hereto as Exhibit 1.

Attachments

Exhibit 1 Consent of Assignment

CONSENT TO ASSIGNMENT

The undersigned, on behalf of King Ranch Community Facilities District (City of Goodyear, Arizona), hereby consents to the assignment by HE CAPITAL KR, LLC, a Delaware limited liability company, of its respective rights, title, interest in, and obligations under that certain Development, Financing Participation and Intergovernmental Agreement No. 1, dated as of February 6, 2006, and recorded on February 13, 2006, as Instrument No. 2006-0201706 in the Official Records of Maricopa County, Arizona, and thereafter assigned by that certain Assignment and Assumption of CFD Development Agreement, dated as of July 31, 2007, and recorded on July 31, 2007, as Instrument No. 2007-0865454 in the Official Records of Maricopa County, Arizona (collectively, the “CFD Agreement”) with respect to any property subject to such CFD Agreement that is acquired by KR TIC 1 LLC, an Arizona limited liability company, and KR TIC 2 LLC, an Arizona limited liability company (collectively the “KR Entities”). HE Capital KR, LLC will remain liable for all obligations under the CFD Agreement with respect to any property covered by such agreement until the property subject to such agreement has been acquired by the KR Entities. This consent in no way modifies the terms of the CFD Agreement, and such agreement continues to run with the land and bind all future successors in interest to title to any or all the real property subject thereto.

KING RANCH COMMUNITY
FACILITIES DISTRICT (Goodyear,
Arizona)

By: _____
Doug Sandstrom, District Treasurer

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this ____ day of November, 2023, before me personally appeared Doug Sandstrom, the District Treasurer of King Ranch Community Facilities District (Goodyear, Arizona), whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed this Consent to Assignment on behalf of King Ranch Community Facilities District.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

(Seal and Expiration Date)

Notary Public in and for the State of Arizona

ITEM #: 3.
DATE: 11/13/2023
AI #:1656



COMMUNITY FACILITIES DISTRICT REPORT

SUBJECT: APPROVE THE FEASIBILITY REPORT RELATING TO ISSUANCE OF ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR) GENERAL OBLIGATION BONDS, SERIES 2023.

STAFF PRESENTER(S): Jared Askelson, Deputy Finance Director

SUMMARY

Resolution EMRCFD RES 2023-160 will approve the Feasibility Report relating to the sale, issuance, and delivery of general obligation bonds of the Estrella Mountain Ranch Community Facilities District (EMRCFD), in an amount not to exceed \$15,500,000.

Recommendation

ADOPT EMRCFD RES 2023-160 APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITING THE DISTRICT; AND DECLARING ITS PRELIMINARY INTENTION TO ISSUE NOT TO EXCEED \$15,500,000 GENERAL OBLIGATION BONDS TO FINANCE THE ACQUISITION OF CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY REPORT RELATING TO SUCH IMPROVEMENTS PURSUANT TO THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO. (Jared Askelson, Deputy Finance Director)

FISCAL IMPACT

The proceeds of the bonds will be applied by the EMRCFD to the acquisition of the Public Infrastructure listed in the Feasibility Report. The proceeds of the bonds, net of costs of issuance, would be transferred to the developer responsible for the construction of the infrastructure. While the not to exceed amount listed in the Feasibility Report is \$15,500,000, the expected amount will be approximately \$11,200,000. Property owners within the District will pay the annual debt service payments for the general obligation bonds by a secondary property tax levy of not to exceed \$1.00 per \$100 of Net Limited Assessed Property Value on all taxable property within the boundaries of the District. This rate is equal to the current rate. Debt service amounts above \$1.00 per \$100 of Net Limited Assessed Property Value will be paid by the developer pursuant to a Standby Contribution Agreement.

BACKGROUND AND PREVIOUS ACTIONS

The District previously issued its District General Obligation Bonds, Series 2000, Series 2005, and Series 2007, to pay a portion of the costs of public infrastructure improvements for the District. The District is now considering the acquisition of additional public infrastructure previously constructed within the District.

The Board of Directors of the District has caused the Feasibility Report to be prepared, which Feasibility Report is a study of the feasibility and benefits of the project relating to certain public infrastructure

provided for in the General Plan of the District and to be financed with the proceeds of the sale of general obligation bonds of the District. The Feasibility Report includes, among other things, a description of certain public infrastructure to be acquired and all other information useful to understand the project, an estimate of the cost to acquire, operate and maintain the project, an estimated schedule for completion of the project, a map or description of the area to be benefited by the project and a plan for financing the project.

The District Board has conducted a public hearing on the Feasibility Report, and EMRCFD RES 2023-160 provides for the approval of Feasibility Report by the District Board.

STAFF ANALYSIS

District staff has reviewed the Feasibility Report and related materials and found this resolution is in compliance with state law, the existing development agreement between the City, the District and the developer and the City's CFD guidelines.

Attachments

Resolution EMRCFD 2023-160
Feasibility Report
Presentation

EMRCFD RES 2023-160

A RESOLUTION OF THE BOARD OF DIRECTORS OF ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA), ACCEPTING AND APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITING THE DISTRICT; AND DECLARING ITS PRELIMINARY INTENTION TO ISSUE NOT TO EXCEED \$15,500,000 GENERAL OBLIGATION BONDS TO FINANCE THE ACQUISITION OF CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY REPORT RELATING TO SUCH IMPROVEMENTS PURSUANT TO THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO.

WHEREAS, pursuant to Arizona Revised Statutes (“A.R.S.”) § 48-715, as amended, the Board of Directors of Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) has caused a Report to be prepared, which Report is a study of the feasibility and benefits of the Project (as such terms and all other initially capitalized terms are defined hereinafter) relating to certain public infrastructure (as defined in the Act) provided for in the General Plan of the District to be financed with the proceeds of the sale of general obligation bonds of the District, which Report includes, among other things, a description of certain public infrastructure to be acquired and all other information useful to understand the Project, an estimate of the cost to acquire, operate and maintain the Project, information concerning the completion of the Project, a map or description of the area to be benefited by the Project and a plan for financing the Project, a copy of which is on file with the District Clerk; and

WHEREAS, pursuant to A.R.S. § 48-715, as amended, a public hearing on the Report was held on the date hereof, after provision for publication and mailing of notice thereof as provided by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA), that:

Section 1. Definitions. In this resolution, the following terms shall have the following meanings:

“Act” shall mean A.R.S. Title 48, Chapter 4, Article 6, as amended.

“Board” shall mean the Board of Directors of the District.

“Bonds” shall mean the District’s General Obligation Bonds, Series 2023.

“District” shall mean Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona).

“*District Clerk*” shall mean the Clerk of the District.

“*Project*” shall mean the acquisition of public infrastructure (as such term is defined in the Act) described in the Report, including particularly the acquisition by the District of the improvements described on Exhibit A hereto.

“*Report*” shall mean the Feasibility Report dated November 13, 2023, pertaining to the Project on file with the District Clerk prior to the date and time hereof, discussing the matters required by A.R.S. § 48-715, as amended, as such matters relate to the Project.

Section 2. Approval of Feasibility Report. Published notice of the public hearing on the Report has been provided by the District Clerk not less than 10 days in advance of the date of the public hearing on the Report and such publication is hereby ratified and approved. The District Clerk has provided the Report and notice of public hearing on the Report to the governing body of the City of Goodyear, Arizona, not less than 10 days in advance of the date of the public hearing. Based on the review by the Board and the presentation of the Report at the public hearing on November 13, 2023, the Report is hereby accepted, adopted and approved in the form submitted to the Board.

Section 3. Resolution of Intent. Pursuant to A.R.S. § 48-715, as amended, the Board hereby identifies the public infrastructure of the Project, the areas benefited, the expected method of financing and the system of providing revenues to operate and maintain the Project, all as identified and provided for in the Report, for any and all purposes of the Act. Any portion of the costs of the Project not financed by the proceeds of the Bonds shall remain eligible to be financed through the sale of future bonds of the District.

Section 4. Preliminary Intent to Issue and Sell Bonds. The Board hereby declares its intent to proceed with the financing of the Project in substantially the manner presented in the Report, and if such financing is consummated, to acquire the Project. Nothing contained in this Resolution shall be construed to limit the Board’s sole, unfettered discretion in making its final decision to issue bonds to finance the Project.

[Signatures on Following Page]

PASSED AND ADOPTED by the Board of Directors of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) on November 13, 2023, with a vote of _____.

**ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)**

Chairman, District Board

ATTEST:

District Clerk

APPROVED AS TO FORM:

Gust Rosenfeld P.L.C.
Bond Counsel

**EXHIBIT A
TO
EMRCFD RES 2023-160**

[Description of Public Infrastructure]

See following page.

DESCRIPTION OF PUBLIC INFRASTRUCTURE

The Public Infrastructure, which has been publicly bid and constructed pursuant to State statutes and the acquisition of which is to be financed by the Bonds, consists of the following:

Public Infrastructure Description	Total Estimated Cost	Certified Engineer's Cost	To Be Paid By the Bonds (a)	Paid by Prior Bonds	Eligible for Funding from Future Bonds	Completion Date
1. Willis Road Phase 1	\$ 7,530,099	\$ 7,530,099	\$ 7,530,099	\$ -	\$ -	Mar. 2010
This project consists of underground utility and roadway improvements from Rainbow Valley Road to Estrella Parkway. Costs include engineering, design, survey, review fees, construction permits, testing, native plant salvage, blasting, grading, sanitary sewer installation, potable water installation, reclaimed water installation, storm drain installation, curb and gutter placement, sidewalk placement, trail installation, asphalt pavement placement, landscaping and streetlight installation. Construction of Willis Road is complete and was accepted by the City on March 25, 2010.						
2. Cotton Lane Bridge	8,000,000	8,000,000	3,546,316	\$ -	4,453,684	Jul. 2008
This project consists of a bridge across the Gila River, and the extension of Cotton Lane south from MC 85 to the proposed bridge and from the southern boundary of the property known as King Ranch to Estrella Parkway. Costs include engineering, design, survey, review fees, construction permits, testing, native plant salvage, blasting, grading, sanitary sewer installation, potable water installation, storm drainage installation, dry utility sleeving, traffic loop conduit, curb and gutter placement, and asphalt pavement placement. Construction of the Cotton Lane Bridge & Cotton Lane is complete and was accepted by the City on September 2, 2008.						
Totals (a)(b):	\$15,530,099	\$15,530,099	\$11,076,415	\$ -	\$4,453,684	

(a) Subject to change.

(b) Total may not add due to rounding.

All work completed on the referenced Public Infrastructure was per the approved plans, MAG Specifications and Details, and the City's Engineering Design Standards and Policies Manual. Total construction costs represent actual costs incurred. See the maps in Section Three for the location of the improvements and the corresponding area of benefit.

FEASIBILITY REPORT

For The Issuance of

**Not to Exceed
\$15,500,000 Principal Amount**

OF

**ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)**

**GENERAL OBLIGATION BONDS,
SERIES 2023**

Public Hearing Date: November 13, 2023

TABLE OF CONTENTS

	<u>SECTION</u>
Introduction; Purpose of Feasibility Report; General Description of District	ONE
Description of Public Infrastructure	TWO
Maps of the District	THREE
Estimate of Cost and Timetable for Acquisition of Public Infrastructure	FOUR
Plan of Finance	FIVE
	<u>APPENDIX</u>
Legal Description for Estrella Mountain Ranch Community Facilities District	A

SECTION ONE

INTRODUCTION; PURPOSE OF FEASIBILITY REPORT; GENERAL DESCRIPTION OF DISTRICT

INTRODUCTION

This Feasibility Report (this “Report”) has been prepared for presentation to the Board of Directors of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “District”) in connection with the proposed issuance by the District of its General Obligation Bonds, Series 2023 (the “Bonds”) in a principal amount of not to exceed \$15,500,000, pursuant to the Community Facilities District Act of 1988, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (“A.R.S.”).

PURPOSE OF FEASIBILITY REPORT

This Report has been prepared for consideration of the feasibility and benefits of the Public Infrastructure and Public Infrastructure Purposes (each as defined in A.R.S. § 48-701) to be financed by the Bonds (together the “Public Infrastructure”) and of the plan for financing such Public Infrastructure in accordance with the provisions of A.R.S. § 48-715. Pursuant to A.R.S. § 48-715, this Report includes (i) a description of the Public Infrastructure to be financed – Section Two; (ii) maps showing, in general, the location of the Public Infrastructure and the area to be benefitted by the Public Infrastructure – Section Three; (iii) an estimate of the cost to construct/acquire the Public Infrastructure and schedule for the completion of the Public Infrastructure – Section Four; and (iv) a plan for financing the Public Infrastructure – Section Five. Additionally, this Report includes the legal description of the District – Appendix A.

This Report has been prepared for the consideration of the Board of Directors of the District only. It is not intended or anticipated that this Report will be relied upon by other persons, including, but not limited to, purchasers of the Bonds. This Report does not attempt to address the quality of the Bonds as investments or the likelihood of repayment of the Bonds. In preparing this Report, financial advisors, appraisers, counsel, engineers, District staff, staff of the City of Goodyear (the “City”) staff and other experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF THE DISTRICT

Formation of the District was approved by the City upon the request of SunChase Estrella Limited Partnership, a Delaware limited partnership (“SunChase”), as the owner of all the land within the District as of formation on November 22, 1999. Residential Funding Corporation, a Delaware corporation, consented to the formation of the District as a holder of a lien interest in such land as of formation.

The District was created to finance the construction and acquisition of various public infrastructure described in the General Plan for the District, which was record on November 23, 1999, as Document No. 99-1063338, for the mixed use, master planned community known as Estrella Mountain Ranch (“Estrella Mountain Ranch”). The District will be benefitted by the Public Infrastructure described in Section Two of this Report. Maps of the District and the general location of the Public Infrastructure are in Section Three of this Report. See Appendix A for a legal description of the District.

Estrella Mountain Ranch is being developed in phases with individual development areas. Although the number of acres devoted to each particular type of land use may ultimately vary from those presented, at the time the land-use plan was prepared, the build-out of Estrella Mountain Ranch was expected to include the following:

Total District	Approximate District Acres
Residential	5,146
Open Spaces & Parks	3,129
Other Non-Residential (a)	1,496
Total	9,771

(a) Includes commercial, school, municipal and miscellaneous land uses.

Ownership History

Subsequent to the formation of the District, a Development, Financing Participation and Intergovernmental Agreement No. 1 (the “Development Agreement”) was entered into between the District, the City, SunChase and Residential Funding Corporation. Ryland Group, Inc. (which subsequently obtained a contractual interest in certain property contained within the District) consented and agreed to the Development Agreement.

In 2003, SunChase conveyed Estrella Mountain Ranch and assigned its interests in the Development Agreement to Sun MP, LLC (“Sun MP”), a limited liability company formed in connection with a restructuring and a new capital investment in Estrella Mountain Ranch by an unrelated party. In October 2003, the City and the District consented to the assignment of SunChase’s interests to Sun MP.

Pursuant to an option agreement, in a series of transactions from May 16, 2005, through July 31, 2013, Sun MP conveyed all of its interest in the District land and in the various agreements related to the District (all of which were consented to by the City and the District), to NNP III-Estrella Mountain Ranch, LLC and its affiliated entities. NNP III-Estrella Mountain Ranch, LLC acquired a total of approximately 6,461 acres from Sun MP. Of this total, 6,130 acres were within the District and 331 acres were near but outside the District. NNP III-EMR 3, LLC acquired approximately 2,750 acres from Sun MP. Of this total, 2,430 acres were within the District and 320 acres were near but outside the District. NNP III-EMR 4, LLC acquired approximately 9,058 acres from Sun MP. Of this total, 177 acres were within the District and 8,881 acres were near but outside the District. Combined, NNP III-Estrella Mountain Ranch, LLC and its affiliated entities acquired approximately 18,269 acres from Sun MP. Of the total, approximately 8,737 acres were within the District and 9,532 acres were near but outside the District. NNP III – Estrella Mountain Ranch, LLC and NNP III-EMR 3, LLC were wholly-owned by NNP III – Estrella, LLC, a Delaware limited liability company (“NP III – Estrella”). NNP III – Estrella and NNP III-EMR 4, LLC, a Delaware limited liability company were wholly-owned by Estrella Mountain Ranch Developers LLC, a Delaware limited liability company (“NP III”). NP III was wholly owned by Land Management Company, LLC.

In 2021, pursuant to a purchase and sale agreement, NNP III-Estrella Mountain Ranch, LLC, and its affiliated entities referenced above (collectively, the “NP Entities”) sold their entire holdings within the District and all additional properties outside the District to Estrella Partners, LP, and affiliated entities. In particular, all property and interests of the NP Entities within the District were conveyed to Estrella North LLC (“Major Landowner”) and all properties and interests outside the District were conveyed to Estrella South LLC. All documents related to the District, including the Development Agreement, were assigned to Estrella North LLC in October 2021, and such assignment was consented to by the District and the City. Estrella North LLC and Estrella South LLC are both wholly owned subsidiaries of Estrella Partners, LP.

The parties, that through affiliates, own Estrella Partners, LP and its general partner, Goodyear EMR GP, LLC, are Harvard Investments, Inc., a Nevada corporation, and Toll Southwest LLC, a Delaware limited liability company, a subsidiary of homebuilder, Toll Bros., Inc., a Pennsylvania corporation (collectively, “Toll Brothers”). Varde Partners (defined below) is a limited partner in Estrella Partners, LP.

Harvard Investments, Inc. and its affiliates (collectively, “Harvard”), are headquartered in Scottsdale, Arizona, and are the United States real estate investment and development arm of the Hill Companies, a Canadian land development company, which has operated as a privately held company since its inception in 1903. Harvard’s real estate holdings, through its affiliates and various joint ventures, are located throughout the southwestern United States. Harvard’s current and past real estate holdings include more than 80 projects, including residential master planned communities, golf courses, custom home site projects and commercial developments. Since 1982, Harvard is currently developing, or has developed, more than 20 residential master planned communities, which includes entitlement development and sale of over 30,000 residential lots through Arizona, Texas and New Mexico. Harvard will manage the day-to-day operations of land development within the District.

Toll Brothers is a national homebuilder based in Horsham, Pennsylvania. Toll Brothers is the eighth largest homebuilder in the U.S. based on closings and builds to the higher end of the homebuilding market. Toll Brothers has also undertaken development in other real estate sectors including multi-family. Toll Brothers operates in hundreds of communities across 20 states. Toll Brothers is publicly traded on the New York Stock Exchange. Toll Brothers is subject to reporting the information required by the Securities Exchange Act of 1934, as amended, and in accordance therewith files quarterly and annual reports, proxy statements and other required information (collectively, the “Filings”) with the Securities Exchange Commission (the “Commission”). The Filings may be inspected and copied at the public reference

facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and Northwestern Atrium Center, 400 West Madison Street, Suite 400, Chicago, Illinois. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>. None of the District, the Financial Advisor to the District, Bond Counsel to the District, the Underwriter of the Bonds or counsel to such Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

The primary investor in Estrella Partners, LP is an affiliate of Varde Partners, Inc., a Minnesota corporation (collectively, "Varde Partners"). Varde Partners is a global investment manager founded in 1993 specializing in alternative investments with discretionary fund assets of approximately US \$15 billion and over 300 employees. Varde Partners maintains 14 offices across the globe. Headquarter offices are located in Minneapolis for North America, London for Europe, and Singapore for the Asia Pacific region. The firm invests across five segments: corporate and traded credit, financial services, real estate, mortgages and real assets and infrastructure. Varde Partners benefits from a broad and diverse investor base, including endowments and foundations, pension funds, insurance companies, private clients and other institutional investors. Since its founding, Varde Partners has focused on making and managing investments in real estate, mortgages, homebuilding and infrastructure. In the United States, since 2009, Varde Partners has invested and managed over \$4.7 billion of fund capital in residential development, homebuilding and residential mortgages.

The remaining land within the District is owned by various parties including home builders, homeowners, the homeowners' association, commercial and civic users and other investors.

Debt Issuance History

The Bonds, if issued, would represent the fourth series of general obligation bonds issued by the District to acquire or construct Public Infrastructure. The table below summarizes the currently outstanding general obligation bond debt and the public infrastructure financed or refinanced with the proceeds of such bonds.

Estrella Mountain Ranch Community Facilities District General Obligation Bonds Outstanding

Series	Public Infrastructure Financed or Refinanced	Original Principal	Final Maturity	Principal Outstanding
2017 Refunding (a)	Acquisition of a 16" water line, a 24" effluent line, the Lum lift station, and Estrella Parkway Phase 3A extension (Projects of Series 2005); Balance of the extension of Estrella Parkway Phase 3A, Estrella Parkway Phase 3B, Estrella Parkway Phase 3C, Rainbow Valley Water, Reclaimed Water, Sewer and Sewage Force Mains, H-7 Well Site Water Main Extension and H-10 Well Site Water Main Extension (Projects of 2007)	\$14,050,000	2032	\$6,985,000
			Total	<u>\$6,985,000</u>

- (a) The proceeds of which were applied to refund the District's General Obligation Bonds, Series 2007 issued to finance the Public Infrastructure described.

In addition to the general obligation bonds issued by the District, twelve series of special assessment bonds comprised of eight series issued to acquire or construct Public Infrastructure and four refundings, have also been issued. The table below summarizes the currently outstanding series of special assessment bonds and the infrastructure financed or refinanced with the proceeds of such bonds.

**Estrella Mountain Ranch Community Facilities District
Special Assessment Revenue Bonds Outstanding**

Series	Public Infrastructure Financed or Refinanced	Assessment District	Original Principal	Final Maturity	Principal Outstanding
2015	182nd WMV Ph1, 182nd WMV Ph2 and Calistoga 2-1	Montecito No. 2	\$4,980,000	2039	\$ 3,717,000
2018 Refunding (a)	Westar and Golf Club Drive, a sewer force main, a sewer lift station, and the Estrella Parkway Extension (Projects of Series 2001A)	Golf Village No. 1	1,785,000	2024	173,000
2018 Refunding (a)	San Gabriel Road Phase I, San Gabriel Road Phase II, and enhanced landscaping along San Gabriel Road (Projects of Series 2002)	Desert Village	1,985,000	2026	709,000
2018 Refunding (a)	Calistoga Drive Phase I (Project of Series 2007)	Montecito No. 1	5,329,000	2031	3,341,000
2018 Refunding (a)	Westar Drive Phases II – IV (Projects of Series 2007)	Golf Village No. 2	4,789,000	2030	2,807,000
2019	Hillside Drive, 16” and 12” Waterlines, Lift Station and Parallel Force Main , Zone 2 Water System	Lucero No. 1	6,913,000	2043	6,141,000
2021	Calistoga Drive 3-1	Montecito No. 3	598,000	2046	570,000
2022	Hillside Drive, 16” and 12” Waterlines, Lift Station and Parallel Force Main , Zone 2 Water System	Lucero No. 2	4,429,000	2046	4,429,000
				Total	<u>\$21,887,000</u>

(a) The proceeds of which were applied to refund the District’s Special Assessment Revenue Bonds, Series 2001A (Golf Village No. 1), Special Assessment Revenue Bonds, Series 2002 (Desert Village), Special Assessment Revenue Bonds, Series 2007 (Montecito No. 1), and Special Assessment Revenue Bonds, Series 2007 (Golf Village No. 2) issued to finance the Public Infrastructure described.

SECTION TWO

DESCRIPTION OF PUBLIC INFRASTRUCTURE

DESCRIPTION OF PUBLIC INFRASTRUCTURE

The Public Infrastructure subject to this Report has been publicly bid pursuant to state statutes and District guidelines and will be financed by the Bonds and/or subsequent bond issues and other sources, if necessary. It is expected that the Public Infrastructure listed below will be acquired by the District with estimated cost and construction timing as noted.

Public Infrastructure Description	Total Estimated Cost	Certified Engineer's Cost	To Be Paid By the Bonds (a)	Paid by Prior Bonds	Eligible for Funding from Future Bonds	Completion Date
1. Willis Road Phase 1	\$ 7,530,099	\$ 7,530,099	\$ 7,530,099	\$ -	\$ -	Mar. 2010
This project consists of underground utility and roadway improvements from Rainbow Valley Road to Estrella Parkway. Costs include engineering, design, survey, review fees, construction permits, testing, native plant salvage, blasting, grading, sanitary sewer installation, potable water installation, reclaimed water installation, storm drain installation, curb and gutter placement, sidewalk placement, trail installation, asphalt pavement placement, landscaping and streetlight installation. Construction of Willis Road is complete and was accepted by the City on March 25, 2010.						
2. Cotton Lane Bridge	8,000,000	8,000,000	3,546,316	\$ -	4,453,684	Jul. 2008
This project consists of a bridge across the Gila River, and the extension of Cotton Lane south from MC 85 to the proposed bridge and from the southern boundary of the property known as King Ranch to Estrella Parkway. Costs include engineering, design, survey, review fees, construction permits, testing, native plant salvage, blasting, grading, sanitary sewer installation, potable water installation, storm drainage installation, dry utility sleeving, traffic loop conduit, curb and gutter placement, and asphalt pavement placement. Construction of the Cotton Lane Bridge & Cotton Lane is complete and was accepted by the City on September 2, 2008.						
Totals (a)(b):	\$15,530,099	\$15,530,099	\$11,076,415	\$ -	\$4,453,684	

(a) Subject to change.

(b) Total may not add due to rounding.

All work completed on the referenced Public Infrastructure was per the approved plans, MAG Specifications and Details, and the City's Engineering Design Standards and Policies Manual. Total construction costs represent actual costs incurred. See the maps in Section Three for the location of the improvements and the corresponding area of benefit.

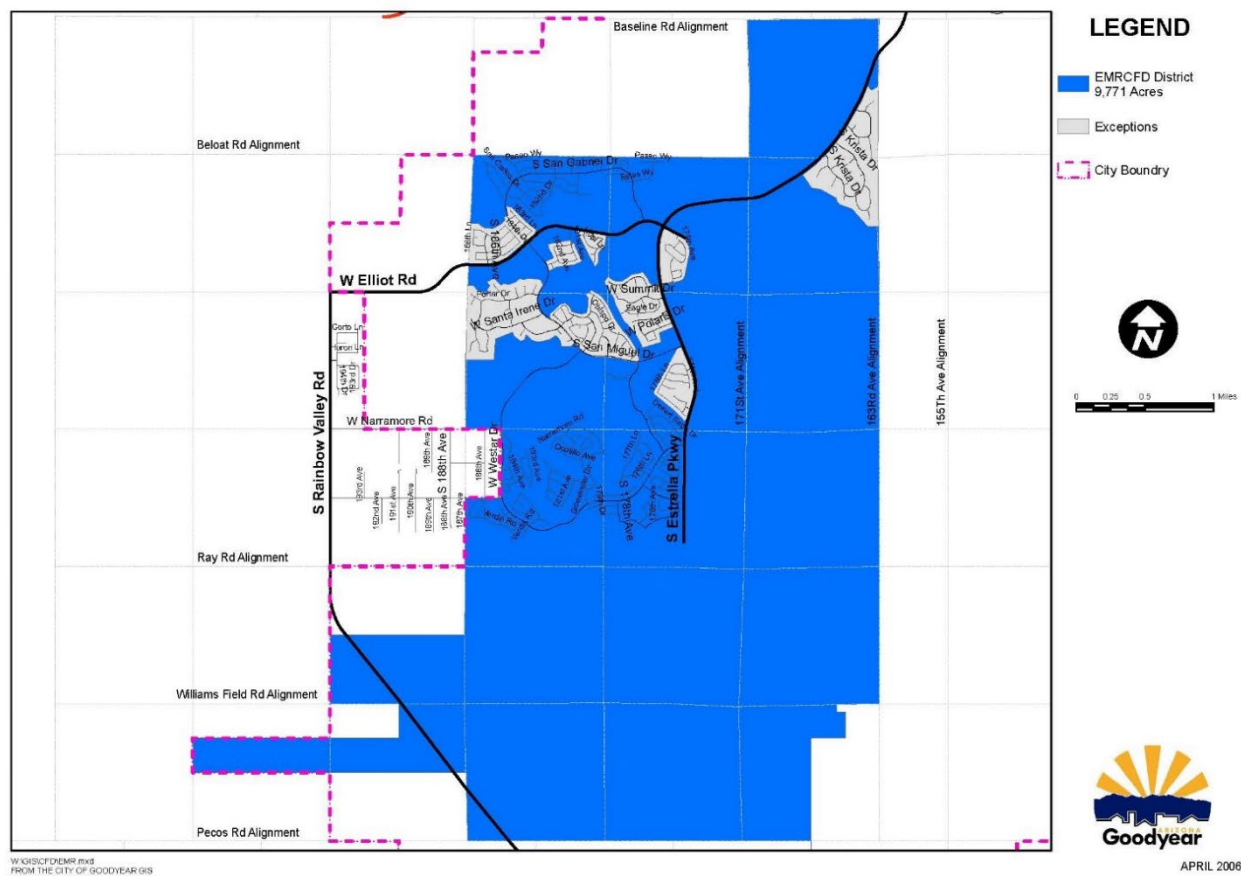
SECTION THREE

MAPS OF THE DISTRICT

The District

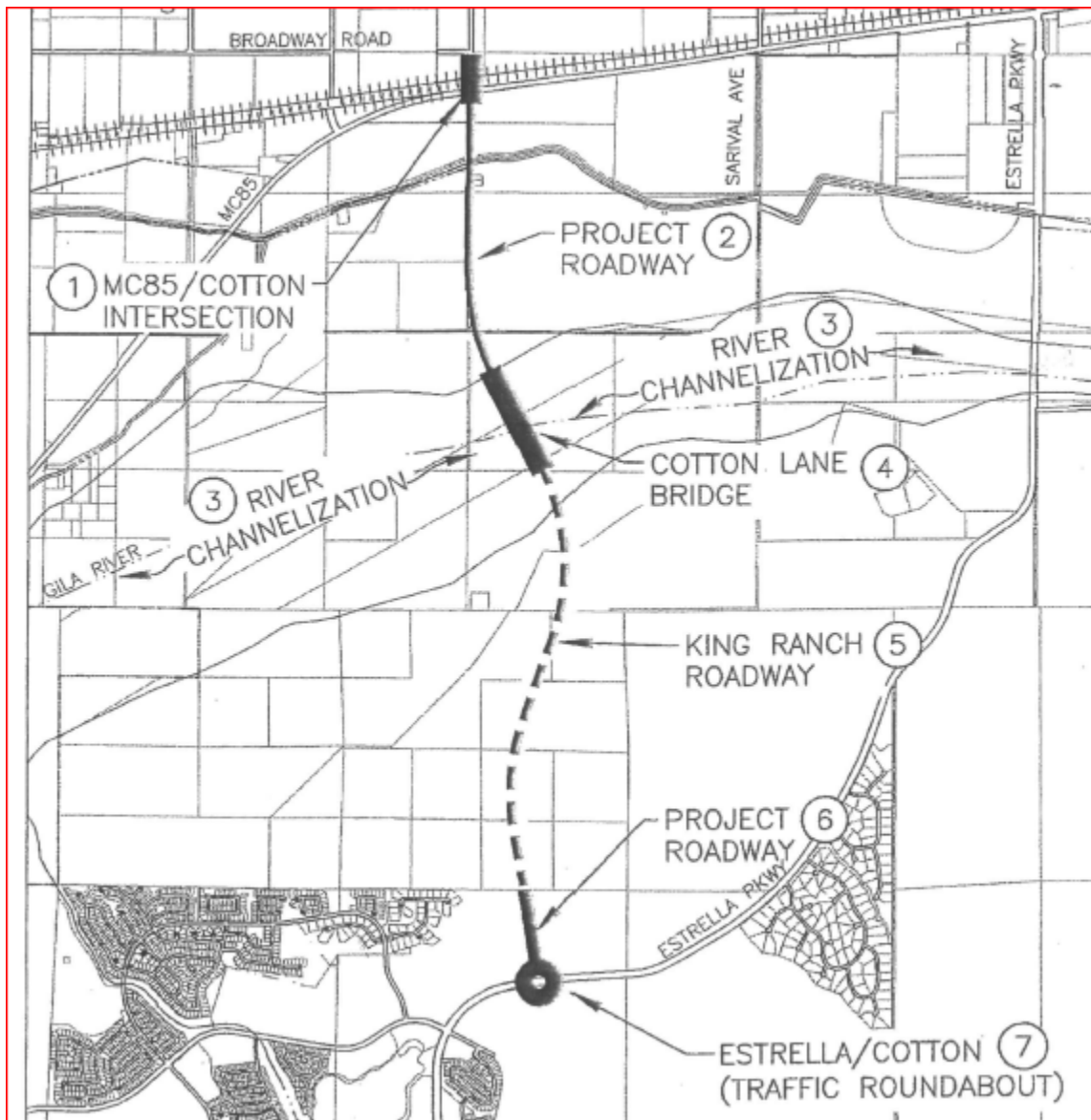
ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT

Formed November 22, 1999



The Public Infrastructure in Context of the District

Cotton Lane Bridge and Cotton Lane Road



The Public Infrastructure in Context of the District

Willis Road Improvement Exhibit



SECTION FOUR

ESTIMATE OF COST AND TIMETABLE FOR ACQUISITION OF PUBLIC INFRASTRUCTURE

**ESTIMATE OF COST AND TIMETABLE FOR
ACQUISITION OF PUBLIC INFRASTRUCTURE**

The table in Section Two outlines the cost estimate and completion dates for the construction of the Public Infrastructure. Proceeds of the Bonds will be used to finance the acquisition of all or a portion of the Public Infrastructure listed in Section Two and to pay certain costs of issuance of the Bonds. It is anticipated that unfunded Public Infrastructure costs will be included in future bond issues of the District.

Listed below is an estimated draw schedule of the proceeds of the Bonds for the acquisition of the Public Infrastructure.

Public Infrastructure Description	Estimated Acquisition Price	Acceptance Date	Funds Draw Date
1. Willis Road Phase 1	\$7,530,099	03-25-10	Q4 2023
2. Cotton Lane Bridge	3,546,316	09-02-08	Q4 2023
Total	<u>\$11,076,415</u>		

SECTION FIVE

PLAN OF FINANCE

PLAN OF FINANCE

Below is a financing plan that describes the process for financing a portion of the Public Infrastructure benefiting the property within the District. This Plan of Finance is subject to modification to accommodate market conditions at the time of the actual sale of the Bonds and to the extent necessary to comply with federal and state law.

(i) Formation and Authorization.

In response to a petition from SunChase, the City Council formed the District on November 22, 1999. On December 13, 1999, SunChase, by designation of the landowners in the District at the time, authorized an election general obligation bonded debt in an amount not to exceed \$200,000,000 and will have an estimated \$170,818,585* of such amount remaining after issuance of the Bonds. Such remaining authorized but unissued amount is subject to further reduction based on the amount of net premium on the general obligation bonds of the District. The District has previously sold its general obligation bonds in the aggregate original principal amount of \$32,005,000, comprised of \$17,955,000 of bonds to acquire or construct Public Infrastructure and \$14,050,000 of refunding bonds. The District currently has \$6,985,000 of general obligation bonds outstanding.

(ii) Proposed Bond Sale.

The District currently has \$6,985,000 of general obligation bonded debt outstanding. The estimated debt service schedule for the Bonds is included in this section. It is anticipated that the Bonds will be sold in approximately November 2023 and delivered in December 2023. The amount shown on the cover of this Report is a not-to-exceed amount and the actual aggregate principal amount of the Bonds issued may be lower (as shown in the sources and uses of funds table below and the estimated debt service schedule herein). It is currently estimated that the Bonds will have a final maturity of approximately 20 years and be structured to achieve an aggregate declining debt service. The Bonds will likely be rated by a rating agency based on the expected purchase of a municipal bond insurance policy from an insurer.

(iii) Estimated Sources and Uses of Funds.

The proceeds of the Bonds will be applied by the District to finance all or a portion of the Public Infrastructure listed in Section Two of this Report. The estimated sources and uses of funds related to the sale of the Bonds are:

SOURCES*:

Principal Amount of Bonds	\$11,000,000.00
Net Original Issue Premium	200,611.00
Major Landowner Contribution (a)	232,610.00
Total	<u>\$11,433,221.00</u>

USES*:

Cost of Public Infrastructure	\$11,076,415.48
Estimated Costs of Issuance (a)	232,610.00
Bond Insurance Premium	124,195.52
Total	<u>\$11,433,221.00</u>

(a) All costs of issuance and underwriter fees will be paid by the Major Landowner.

* Preliminary, subject to change.

ESTIMATED COSTS OF ISSUANCE *

Underwriter's Discount	\$ 82,610.00
Underwriter's Counsel	30,000.00
Bond Counsel	40,000.00
Financial Advisor	35,000.00
Rating	23,000.00
Trustee	3,250.00
Official Statement Preparation	10,000.00
Official Statement Printing	2,000.00
Miscellaneous	6,750.00
Total	<u>\$232,610.00</u>

(iv) District Tax Rate, Standby Contribution Agreement and Homeowner's Property Tax Obligation.

All Public Infrastructure that may be acquired by the District with any proceeds of the Bonds will be dedicated to and accepted by the City. The obligations pertaining to the operation and maintenance of the Public Infrastructure have been negotiated between the City, the District and the Major Landowner and are set forth in the various development agreements among the parties. The costs associated with the operation and maintenance of the Public Infrastructure, as well as the administrative costs, of the District will be provided by several sources of funds: A District property tax levy of \$0.30 per \$100 of net assessed limited property valuation for District operation and maintenance expenses (the "O&M Tax"), Homeowner's Association fees and Major Landowner contributions, if any.

In addition to the O&M Tax, the District will levy an ad valorem property tax to provide for debt service on bonds issued by the District, including the Bonds. Beginning in Fiscal Year 2023/24, the District will cause to be levied a combined ad valorem tax rate for each year the Bonds are outstanding in the amount of up to \$1.30 per \$100 of net assessed limited property value on all taxable property within the boundaries of the District. This tax rate includes a \$1.00 levy for debt service and a \$0.30 levy for the O&M Tax. This amount is a "target" tax rate. Any general obligation bonds of the District are, by law, to be paid from a property tax which is unlimited as to rate or amount.

To provide additional repayment support and maintenance of the secondary property tax rate at or below the target tax rate of \$1.00 per \$100 of net assessed limited property value, the Major Landowner, pursuant to a Standby Contribution Agreement, will be obligated to pay amounts necessary to maintain a tax rate of \$1.00 per \$100 of net assessed limited property value given the then current tax base and the debt service requirements of the Bonds. The Standby Contribution Agreement will be uncollateralized and in effect for the life of the Bonds, subject to termination if certain conditions are met, principally that the tax rate of \$1.00 per \$100 of net assessed limited property value alone is sufficient to provide for maximum annual debt service with respect to the Bonds and any other outstanding general obligation bonds of the District as well as administrative expenses of the District for a period of time provided in the Standby Contribution Agreement. (A similar agreement was executed and delivered in connection with the issuance of the District's currently outstanding general obligation bonds and it is expected that similar agreements will be executed and delivered with respect to bonds issued by the District in the future.) Once amounts available from the Standby Contribution Agreement are exhausted, the tax rate would, if necessary, be increased to pay debt service on the Bonds.

At the \$1.30 target tax rate level, assuming an average home price of \$525,000, the District portion of a tax bill for a homeowner will be approximately \$27[†] month or \$320[†] annually. A.R.S. § 32-2181 *et seq.* requires the disclosure of all property taxes to be paid by a homeowner in the Arizona Department of Real Estate Subdivision Public Report (the "Public Report"). Prior to each initial home sale by a homebuilder,

* Preliminary, subject to change.

† The estimated tax liability is calculated from the August 2023 County Abstract of the Assessment Roll Owner Occupied Residential ("Class 3") data using the following formula:

(Net Assessed Limited Property Value ÷ Number of Lots) x (the District's Secondary Tax Rate of \$1.3000) ÷ 100

each homebuyer must be supplied the Public Report, and the homebuyer must acknowledge by signature that they have read and accepted the Public Report. In addition, each homebuyer will receive a form detailing the existence of the District, the tax rate and its financial impact and receipt of this form will be acknowledged in writing by the homebuyer, and a signed copy will be kept on file with the District Clerk.

(v) Other District Information.

Shown in the following tables are the District's overlapping general obligation bonded indebtedness including a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, the portion of such indebtedness applicable to the District, a comparison of net assessed limited property values and tax rates per \$100 net assessed limited property value.

OVERLAPPING GENERAL OBLIGATION BONDED INDEBTEDNESS

Overlapping Jurisdiction	General Obligation Bonded Debt Outstanding (a)	Portion Applicable to the District (b)	
		Approximate Percentage	Net Debt Amount
State of Arizona	None	0.200%	None
Maricopa County	None	0.304	None
Maricopa County Community College District	\$ 87,320,000	0.304	\$ 265,089
Maricopa County Special Health Care District	574,205,000	0.302	1,733,529
Western Maricopa Education Center	114,930,000	0.800	919,637
Buckeye Union High School District No. 201	61,085,000	15.600	9,529,087
Liberty Elementary School District No. 25	48,655,000	39.296	19,119,622
City of Goodyear	141,340,000	11.474	16,217,638
The District (c)	6,985,000	100.000	6,985,000
Total Direct and Overlapping General Obligation Bonded Debt Outstanding			<u>\$54,769,603</u>

- (a) Includes total general obligation bonds outstanding less redemption funds on hand. Does not include authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future.

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April of 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre-feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages have been fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to \$0.14 per \$100 of net assessed limited property value, of which \$0.14 is currently being levied. (See Arizona Revised Statutes, §§ 48-3715 and 48-3715.02.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

Does not include the obligation of the Maricopa County Flood Control District (the “County Flood Control District”) to contribute \$70 to \$80 million to the CAP. The County Flood Control District’s sole source of revenue to pay the contribution will be ad valorem taxes on real property and improvements.

- (b) Proportion applicable to the District is computed on the ratio of net assessed limited property value as calculated for Fiscal Year 2023/24 for the overlapping jurisdiction to the amount of such valuation which lies within the District. If the assessed value within the District increases at a faster rate than the overlapping jurisdictions, the amount of overlapping debt allocated for payment within the District will increase.
- (c) Does not include the Bonds. Does not include special assessment revenue bonds or general obligation bonds expected to be issued by the District in the future.

Source: The various entities.

**DIRECT AND OVERLAPPING NET ASSESSED
LIMITED PROPERTY VALUE AND TOTAL TAX RATES**

Overlapping Jurisdiction	2023/24 Net Assessed Limited Property Value	2023/24 Combined Tax Rate Per \$100 of Net Assessed Limited Property Value (a)(b)
State of Arizona	\$83,026,530,244	None
Maricopa County	54,722,326,231	\$1.2044
Maricopa County Community College District	54,722,326,231	1.1388
Maricopa County Fire District Assistance	54,722,326,231	0.0081 (c)
Maricopa County Flood Control District	50,354,573,089	0.1536 (d)
Maricopa County Special Health Care District	55,027,363,791	0.2716
Maricopa County Library District	54,722,326,231	0.0488
Central Arizona Water Conservation District	55,027,363,791	0.1400 (e)
West Maricopa Education Center	20,761,536,409	0.1807
Buckeye Union High School District No. 201	1,064,942,169	2.9938
Liberty Elementary School District No. 25	422,757,102	4.0943
City of Goodyear	1,447,838,835	1.7350
The District	166,127,966	1.3000

- (a) Represents the combined tax rate for debt service payments and the tax rate for all other purposes such as maintenance and operation and capital outlay.
- (b) All levies for library districts, hospital districts, fire districts, technology districts, water conservation districts and flood control districts are levied on the net full cash assessed value.
- (c) The County is mandated to levy a tax annually in support of fire districts in the County.
- (d) Does not include the personal property assessed valuation within the County.
- (e) Includes only the assessed valuation located within the County.

Source: *Abstract by Tax Authority*, the Assessor of the County, *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and *Maricopa County 2023 Tax Levy*, Maricopa County – Finance Department.

The full cash value, estimated net full cash value and the net assessed limited property value of taxable property within the boundaries of the District for the indicated tax years are shown in the table below:

PROPERTY VALUATIONS

Fiscal Year	Full Cash Value	Estimated Net Full Cash Value (a)	Net Assessed Limited Property Value
2023/24	\$2,652,486,356	\$2,649,940,675	\$166,127,966
2022/23	1,897,020,562	1,893,931,348	147,681,674
2021/22	1,695,177,300	1,692,389,690	134,052,722
2020/21	1,456,915,556	1,454,063,376	118,823,073
2019/20	1,241,391,322	1,239,052,113	104,760,225

(a) Full Cash Value net of the estimated value of property exempt from taxation.

Source: Abstract by Tax Authority, Maricopa County Assessor's Office (August dated file for each corresponding year).

ESTIMATED DEBT SERVICE SCHEDULE *

Period Ending (July 15)	Outstanding Bonds		The Bonds		Total Combined Debt Service
	Principal	Interest	Principal*	Interest* (a)	Requirements* (b)
2024	\$ 840,000	\$257,300	\$ 145,000	\$331,541	\$ 1,573,841
2025	875,000	223,700	-	558,413	1,657,113
2026	920,000	179,950	-	558,413	1,658,363
2027	950,000	147,750	-	558,413	1,656,163
2028	985,000	119,250	-	558,413	1,662,663
2029	1,015,000	87,238	-	558,413	1,660,650
2030	1,050,000	54,250	-	558,413	1,662,663
2031	350,000	17,500	280,000	558,413	1,205,913
2032			660,000	544,413	1,204,413
2033			690,000	511,413	1,201,413
2034			725,000	476,913	1,201,913
2035			765,000	440,663	1,205,663
2036			805,000	400,500	1,205,500
2037			845,000	358,238	1,203,238
2038			890,000	313,875	1,203,875
2039			935,000	267,150	1,202,150
2040			985,000	218,063	1,203,063
2041			1,040,000	166,350	1,206,350
2042			1,090,000	111,750	1,201,750
2043			1,145,000	57,250	1,202,250
Total	<u>\$6,985,000</u>		<u>\$11,000,000</u>		<u>\$27,178,941</u>

(a) Interest column reflects total interest payments for each Fiscal Year; interest will be paid semi-annually on January 15 and July 15 commencing on July 15, 2024*. Interest is estimated.

(b) Totals may not add due to rounding.

* Preliminary, subject to change.

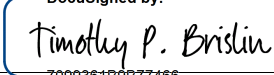
Reviewed and accepted by:
ESTRELLA NORTH LLC,
a Delaware limited liability limited company

By: Estrella Partners, LP,
a Delaware limited partnership,
its Sole Member and Manager

By: Goodyear EMR GP, LLC,
a Delaware limited liability company,
its General Partner

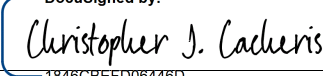
By: EMR Harvard LLC,
an Arizona limited liability company,
its Administrative Member

By: Harvard Investments, Inc.,
a Nevada corporation
its Manager

DocuSigned by:

By: _____
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Name: Timothy P. Brislin

Title: Senior Vice President

DocuSigned by:

By: _____
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Name: Christopher J. Cacheris

Title: Senior Vice President

APPENDIX A

**LEGAL DESCRIPTION FOR
ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT**

February 27, 1997

LEGAL DESCRIPTION
ESTRELLA - LEGAL 3

PARCEL 1

That part of Sections 1, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 28, 31, 32, 33, 34, 35 and 36, Township 1 South, Range 2 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the Northeast Corner of said Section 1, as shown on the "Estrella Phase One, Map of Dedication", as recorded in Book 318 of Maps, Page 38, Maricopa County Records;

Thence South $00^{\circ}20'21''$ West (measured), South $00^{\circ}20'03''$ West (record), along the East line of said Section 1, a distance of 2,710.50 feet (measured), 2708.61 feet (record) to the East Quarter Corner of said Section 1;

Thence South $00^{\circ}13'59''$ West (measured), South $00^{\circ}14'18''$ West (record), continuing along the East line of said Section 1, a distance of 2,640.94 feet (measured), 2641.11 feet (record) to the Northeast Corner of said Section 12;

Thence South $00^{\circ}28'03''$ West (measured), South $00^{\circ}28'10''$ West (record), along the East line of said Section 12, a distance of 2,641.29 feet (measured) 2641.01 feet (record) to the East Quarter Corner of said Section 12;

Thence South $00^{\circ}13'23''$ West (measured), South $00^{\circ}13'30''$ West (record), continuing along the East line of said Section 12, a distance of 2,646.70 feet to the Northeast Corner of said Section 13;

Thence South $00^{\circ}07'53''$ West, along the East line of said Section 13, a distance of 2,644.87 feet to the East Quarter Corner of said Section 13;

Thence South $00^{\circ}13'33''$ West, continuing along the East line of said Section 13, a distance of 2,617.62 feet to the Northeast Corner of said Section 24;

Thence South $00^{\circ}13'33''$ West, along the East line of said Section 24, a distance of 2,653.28 feet to the East Quarter Corner of said Section 24;

Thence South $00^{\circ}17'47''$ West, continuing along the East line of said Section 24, a distance of 2,643.64 feet to the Northeast Corner of said Section 25;

Thence South $00^{\circ}08'16''$ West, along the East line of said Section 25, a distance of 2,640.90 feet to the East Quarter Corner of said Section 25;

Legal Description for
Estrella - Legal 3
February 27, 1997
Page 2 of 7

Thence South $00^{\circ}12'04''$ West, continuing along the East line of said Section 25, a distance of 2,633.25 feet to the Northeast Corner of said Section 36;

Thence North $89^{\circ}13'00''$ West, along the North line of said Section 36, a distance of 1,624.40 feet to the Northwest Corner of the Northeast Quarter of the Northeast Quarter of the Northwest Quarter of the Northeast Quarter of said Section 36;

Thence South $00^{\circ}31'11''$ West, along the West line of the Northeast Quarter of the Northeast Quarter of the Northwest Quarter of the Northeast Quarter of said Section 36, a distance of 332.14 feet to the Southwest Corner thereof;

Thence South $89^{\circ}15'58''$ East, along the South line of the Northeast Quarter of the Northeast Quarter of the Northwest Quarter of the Northeast Quarter of said Section 36, a distance of 325.17 feet to a point on the East line of the Northwest Quarter of the Northeast Quarter of said Section 36;

Thence South $00^{\circ}28'07''$ West, along said East line, a distance of 995.59 feet to the Southeast Corner of the Northwest Quarter of the Northeast Quarter of said Section 36;

Thence North $89^{\circ}24'51''$ West, along the South line of the Northwest Quarter of the Northeast Quarter of said Section 36, a distance of 1,304.25 feet to a point on the North-South mid-section line of said Section 36;

Thence South $00^{\circ}40'22''$ West, along said North-South mid-section line, a distance of 3,968.88 feet to the South Quarter Corner of said Section 36;

Thence North $89^{\circ}36'54''$ West, along the South line of said Section 36, a distance of 2,638.53 feet to the Southeast Corner of said Section 35;

Thence North $89^{\circ}36'09''$ West, along the South line of said Section 35, a distance of 2,633.38 feet to the South Quarter Corner of said Section 35;

Thence North $89^{\circ}34'19''$ West, continuing along the South line of said Section 35, a distance of 2,644.84 feet to the Southeast Corner of said Section 34;

Thence North $89^{\circ}29'43''$ West, along the South line of said Section 34, a distance of 2,637.81 feet to the South Quarter Corner of said Section 34;

Legal Description for
Estrella - Legal 3
February 27, 1997
Page 3 of 7

Thence North $89^{\circ}29'43''$ West, continuing along the South line of said Section 34, a distance of 964.18 feet to a point on the Northeasterly right-of-way line of "Rainbow Valley Road," as recorded in Book 10 of Road Maps, Page 25 & 26, Maricopa County Records;

Thence North $37^{\circ}50'26''$ West, along the Northeasterly right-of-way line of said "Rainbow Valley Road," a distance of 2,704.64 feet to a point on the East line of said Section 33;

Thence North $00^{\circ}21'07''$ East, along said East line, a distance of 564.43 feet to the East Quarter Corner of said Section 33;

Thence North $89^{\circ}49'56''$ West, along the East-West mid-section line of said Section 33, a distance of 442.93 feet to a point on the Northeasterly right-of-way line of said "Rainbow Valley Road";

Thence North $37^{\circ}50'26''$ West, along said Northeasterly right-of-way line of "Rainbow Valley Road," a distance of 6,709.50 feet to a point on the East-West mid-section line of said Section 28;

Thence South $89^{\circ}27'48''$ East, along said East-West mid-section line, a distance of 4,600.62 feet to the West Quarter Corner of said Section 27;

Thence North $00^{\circ}28'09''$ East, along the West line of said Section 27, a distance of 2,657.12 feet to the Southwest Corner of said Section 22;

Thence North $00^{\circ}14'06''$ East, along the West line of said Section 22, a distance of 2,630.12 feet to the West Quarter Corner of said Section 22;

Thence South $89^{\circ}51'29''$ East, along the East-West mid-section line of said Section 22, a distance of 1,319.81 feet to the Southeast Corner of the West Half of the Northwest Quarter of said Section 22;

Thence North $00^{\circ}11'40''$ East, along the East line of the West Half of the Northwest Quarter of said Section 22, a distance of 2,641.50 feet to the Northeast Corner of the West Half of the Northwest Quarter of said Section 22;

Thence North $89^{\circ}24'39''$ West, along the North line of the West Half of the Northwest Quarter of said Section 22, a distance of 1,321.54 feet to the Southwest Corner of said Section 15;

Legal Description for
Estrella - Legal 3
February 27, 1997
Page 4 of 7

Thence North $00^{\circ}03'52''$ East, along the West line of said Section 15, a distance of 2,651.85 feet to the West Quarter Corner of said Section 15, said point also being the Southwesterly Boundary Corner of said "Estrella Phase One, Map of Dedication;"

Thence North $01^{\circ}27'57''$ East (measured), North $01^{\circ}27'59''$ East (record), continuing along the West line of said Section 15, a distance of 2,614.84 feet (measured), 2,614.86 feet (record) to the Southwest Corner of said Section 10;

Thence North $02^{\circ}27'13''$ East (measured), North $02^{\circ}27'17''$ East (record), along the West line of said Section 10, a distance of 2,633.92 feet (measured), 2,633.92 feet (record) to the West Quarter Corner of said Section 10;

Thence North $02^{\circ}22'18''$ East (measured), North $02^{\circ}22'31''$ East (record), continuing along the West line of said Section 10, a distance of 2,635.09 feet (measured), 2,635.54 feet (record) to the Northwest Corner of said Section 10;

Thence South $89^{\circ}13'00''$ East (measured), South $89^{\circ}12'35''$ East (record), along the North line of said Section 10, a distance of 2,650.33 feet (measured), 2,650.49 feet (record) to the North Quarter Corner of said Section 10;

Thence South $89^{\circ}22'02''$ East (measured), South $89^{\circ}21'52''$ East (record), continuing along the North line of said Section 10, a distance of 2,638.74 feet (measured), 2,639.03 feet (record) to the Northwest Corner of said Section 11;

Thence South $89^{\circ}31'04''$ East (measured), South $89^{\circ}31'03''$ East (record), along the North line of said Section 11, a distance of 2,649.70 feet (measured), 2,649.92 feet (record) to the North Quarter Corner of said Section 11;

Thence South $89^{\circ}39'41''$ East (measured), South $89^{\circ}39'05''$ East (record), continuing along the North line of said Section 11, a distance of 2,649.36 feet (measured), 2,649.51 feet (record) to the Southwest Corner of said Section 1;

Thence North $00^{\circ}39'36''$ East (measured), North $00^{\circ}39'46''$ East (record), along the West line of said Section 1, a distance of 2,606.21 feet (measured), 2,606.59 feet (record) to the West Quarter Corner of said Section 1;

Legal Description for
Estrella - Legal 3
February 27, 1997
Page 5 of 7

Thence North 02°11'20" West (measured), North 02°10'59" West (record), continuing along the West line of said Section 1, a distance of 2,694.65 feet (measured), 2,694.49 feet (record) to the Northwest Corner of said Section 1;

Thence North 89°37'33" East (measured), North 89°37'44" East (record), along the North line of said Section 1, a distance of 2,470.13 feet (measured) to the Southeast Corner of Section 36, Township 1 North, Range 2 West of the Gila and Salt River Meridian, Maricopa County, Arizona;

Thence North 89°43'37" East (measured), North 89°37'44" East (record), continuing along the North line of said Section 1, a distance of 70.26 feet (measured) to the North Quarter Corner of said Section 1;

Thence North 89°43'37" East (measured), North 89°46'12" East (record), continuing along the North line of said Section 1, a distance of 2,521.98 feet (measured), 2,521.62 feet (record) to the Point of Beginning.

Containing 10,067.869 Acres more or less.

PARCEL 2

That part of the Southwest Quarter of Section 34, Township 1 South, Range 2 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the Southwest Corner of said Section 34;

Thence North 00°21'07" East, along the West line of said Section 34, a distance of 1,991.83 feet to a point on the Southwesterly right-of-way line of "Rainbow Valley Road," as recorded in Book 10 of Road Maps, Page 25 & 26, Maricopa County Records;

Thence South 37°50'26" East, along the Southwesterly right-of-way line of "Rainbow Valley Road," a distance of 2,539.67 feet to a point on the South line of said Section 34;

Thence North 89°29'43" West, along said South line, a distance of 1,570.30 feet to the Point of Beginning.

Containing 35.902 Acres more or less.

Legal Description for
Estrella - Legal 3
February 27, 1997
Page 6 of 7

PARCEL 3

That part of the Southwest Quarter of Section 28, Township 1 South, Range 2 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the Southwest Corner of said Section 28;

Thence North $00^{\circ}08'04''$ East, along the West line of said Section 28, a distance of 2,641.56 feet to the West Quarter Corner of said Section 28;

Thence South $89^{\circ}27'48''$ East, along the East-West mid-section line of said Section 28, a distance of 583.08 feet to a point on the Southwesterly right-of-way line of "Rainbow Valley Road," as recorded in Book 10 of Road Maps, Page 25 & 26, Maricopa County Records;

Thence South $37^{\circ}50'26''$ East, along the Southwesterly right-of-way line of said "Rainbow Valley Road," a distance of 3,329.90 feet to a point on the South line of said Section 28;

Thence South $89^{\circ}51'39''$ West, along the South line of said Section 28, a distance of 2,632.04 feet to the Point of Beginning.

Containing 97.276 Acres more or less.

PARCEL 4

That part of the North Half of Section 33 and the South Half of the North Half of Section 32, Township 1 South, Range 2 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the East Quarter Corner of said Section 32;

Thence North $89^{\circ}48'26''$ West, along the East-West mid-section line of said Section 32, a distance of 5,208.80 feet to a point on the Easterly right-of-way line of "Tuthill Road," as recorded in Book 33 of Road Maps, Page 39 and Instrument #92-109925, Maricopa County Records, said line being parallel with and 40.00 feet Easterly, as measured at right angles, from the West line of said Section 32;

Thence North $01^{\circ}01'17''$ West, along the Easterly right-of-way line of said "Tuthill Road," a distance of 1,338.76 feet to point on the North line of the South Half of the North Half of said Section 32;

Legal Description for
Estrella - Legal 3
February 27, 1997
Page 7 of 7

Thence South $89^{\circ}39'25''$ East, along the North line of the South Half of the North Half of said Section 32, a distance of 5,241.38 feet to the Northwest Corner of the South Half of the Northwest Quarter of said Section 33;

Thence South $89^{\circ}59'09''$ East, along the North line of the South Half of the Northwest Quarter of said Section 33, a distance of 2,644.85 feet to a point on the North-South mid-section line of said Section 33;

Thence North $00^{\circ}31'52''$ East, along said North-South mid-section line, a distance of 1,310.78 feet to a point on the Southwesterly right-of-way line of "Rainbow Valley Road";

Thence South $37^{\circ}50'26''$ East, along the Southwesterly right-of-way line of said "Rainbow Valley Road," a distance of 3,353.83 feet to a point on the East-West mid-section line of said Section 33;

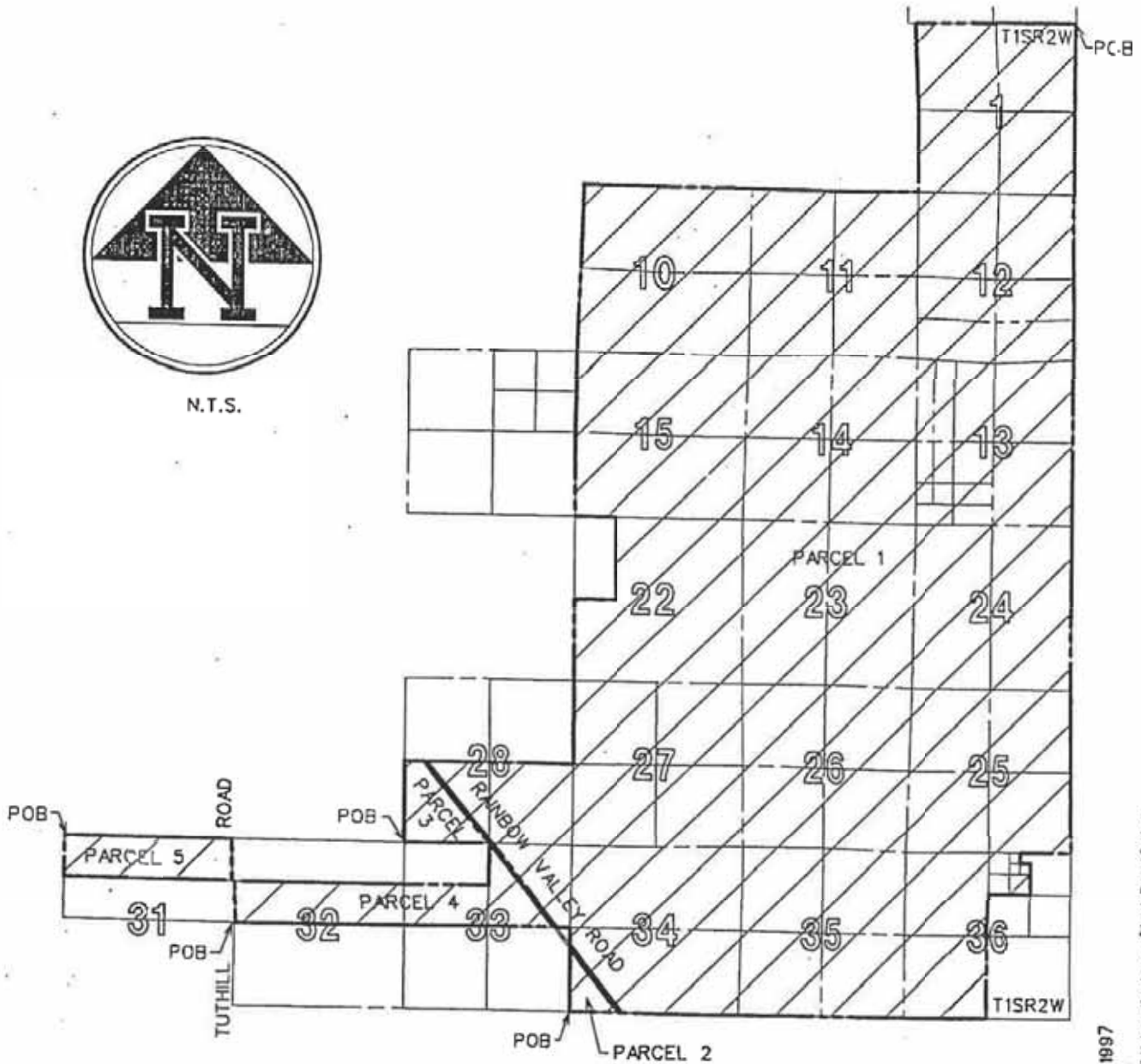
Thence North $89^{\circ}49'56''$ West, along said East-West mid-section line, a distance of 4,723.13 feet to the Point of Beginning.

Containing 303.465 Acres more or less.

Containing 10,504.512 Acres total more or less.



N.T.S.



DATE:- Feb. 26, 1997
TIME:- 09:07.34
FILE:- q:\460001\land\phase2\eh3ph12.dgn

EXHIBIT

ESTRELLA - LEGAL 3

JOB NO

46002501

4550 NORTH 12TH STREET
PHOENIX, ARIZONA 85014
TELEPHONE (602) 264-6831

COE & VAN LOO
PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE

SHEET

1 OF 1

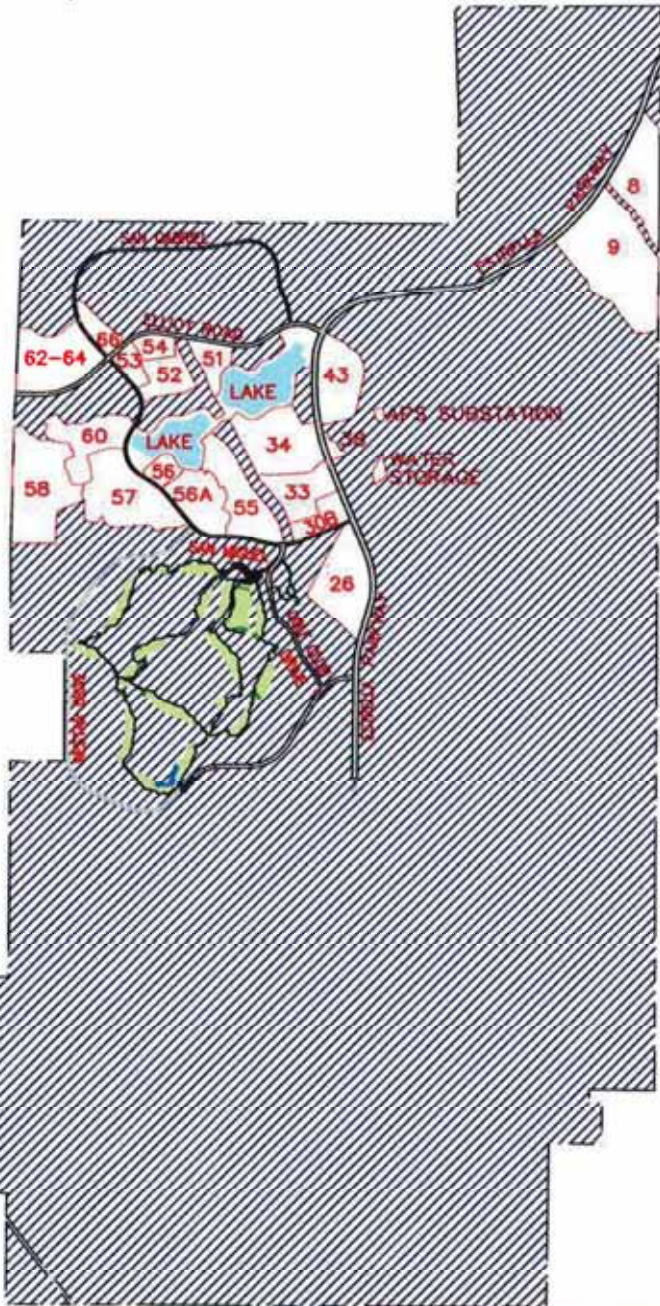
EXCEPT the following parcels, legally described as follows:

- a) Estrella Parcel 8, according to Book 318 of Maps, Page 39, Records of Maricopa County, Arizona.
- b) Lots 22, 23, 24, 28 – 32, 38, 39, 75, and Tracts A, B, C and D of Estrella Parcel 9, according to Book 318 of Maps, Page 40, Records of Maricopa County, Arizona.
- c) SunChase at Estrella Parcel 33, according to 451 of Maps, Page 21, Instrument No. 97-0697454, Records of Maricopa County, Arizona.
- d) Estrella Parcel 34, according to Book 329 of Maps, Page 34, Records of Maricopa County, Arizona.
- e) Estrella Mountain Ranch Parcel 43, according to Book 482 of Maps, Page 50, Instrument No. 98-0938131, Records of Maricopa County, Arizona.
- f) Estrella Parcel 51, according to Book 325 of Maps, Page 41; and Affidavit of Correction recorded in Instrument No. 90-387749, Records of Maricopa County, Arizona.
- g) Estrella Parcel 55, according to Book 325 of Maps, Page 42, and Affidavit of Correction recorded in Instrument No. 89-475003, Records of Maricopa County, Arizona.
- h) Estrella Parcel 56, according to Book 329 of Maps, Page 33, Records of Maricopa County, Arizona.
- i) Estrella Parcel 56A, according to Book 419 of Maps, Page 42 in Instrument No. 96-0488725, Records of Maricopa County, Arizona.
- j) Estrella Parcel 57 amended, according to Book 329 of Maps, Page 12, Records of Maricopa County, Arizona.
- k) Estrella Parcel 58, according to Book 321 of Maps, Page 31; and Affidavit of Correction recorded in Instrument No. 89-303317, Records of Maricopa County, Arizona.
- l) Estrella Parcel 60, according to Book 321 of Maps, Page 30; and Affidavit of Correction recorded in Instrument No. 89-336248, Records of Maricopa County, Arizona.
- m) SunChase at Estrella Parcels 62-64, according to Book 438 of Maps, Page 42 in Instrument No. 97-0236401, Records of Maricopa County, Arizona.
- n) SunChase at Estrella Parcel 66, according to Book 442 of Maps, Page 03 in Instrument No. 97-0339182, Records of Maricopa County, Arizona.
- o) Parcel 30B, in Instrument No. 89-0098746, Records of Maricopa County, Arizona.

- p) Parcel 30B, landscape tract in Instrument No. 94-474763, Records of Maricopa County, Arizona.
- q) Parcel 38, in Instrument No. 88-571563, Records of Maricopa County, Arizona.
- r) Parcel 38, landscape tract in Instrument No. 94-474764, Records of Maricopa County, Arizona.
- s) Parcel 53, in Instrument No. 90-387712, Records of Maricopa County, Arizona.
- t) Parcel 53, landscape tract in Instrument No. 94-474765, Records of Maricopa County, Arizona.
- u) North Lake and South Lake, in Instrument No. 90-538581, Records of Maricopa County, Arizona.
- v) Lakes common area, in Instrument No. 94-474760, Records of Maricopa County, Arizona.
- w) Lakes common area, in Instrument No. 94-481850, Records of Maricopa County, Arizona.
- x) Parcel 54 (ballfield), in Instrument No. 97-0911325, Records of Maricopa County, Arizona.
- y) APS sub-station, in Instrument No. 88-618019, Records of Maricopa County, Arizona.
- z) Estrella Parcel 52 amended, according to Book 512 of Maps, Page 31, Instrument No. 99-0878298, Records of Maricopa County, Arizona.
- aa) Parcel 26 according to Book 508 of Maps, Page 38, Instrument No. 99-072948, Records of Maricopa County, Arizona.
- bb) Land described as tax parcel 400-03-022N and any other real property including rights-of-way owned by the City of Goodyear or any other governmental entity.
- cc) Land described as tax parcel 400-52-211R.

EXCEPTION PARCELS:

- A) ESTRELLA PARCEL 8, ACCORDING TO BOOK 318 OF MAPS, PAGE 39, RECORDS OF MARICOPA COUNTY, ARIZONA.
- B) LOTS 22, 23, 24, 28-32, 38, 39, 75, AND TRACTS A, B, C, & D OF ESTRELLA PARCEL 9, ACCORDING TO BOOK 318 OF MAPS, PAGE 40, RECORDS OF MARICOPA COUNTY, AZ.
- C) SUNCHASE AT ESTRELLA PARCEL 33, ACCORDING TO 451 OF MAPS, PAGE 21, INSTRUMENT NO. 97-0897454 RECORDS OF, MARICOPA COUNTY, ARIZONA.
- D) ESTRELLA PARCEL 34, ACCORDING TO BOOK 329 OF MAPS, PAGE 34, RECORDS OF MARICOPA COUNTY, ARIZONA.
- E) ESTRELLA MOUNTAIN RANCH PARCEL 43, ACCORDING TO BOOK 482 OF MAPS, PAGE 50, INSTRUMENT NO. 98-0938131 RECORDS OF MARICOPA COUNTY, ARIZONA.
- F) ESTRELLA PARCEL 51, ACCORDING TO BOOK 325 OF MAPS, PAGE 41; AND AFFIDAVIT OF CORRECTION RECORDED IN INSTRUMENT NO. 90-387749 RECORDS OF MARICOPA COUNTY, ARIZONA.
- G) ESTRELLA PARCEL 55, ACCORDING TO BOOK 325 OF MAPS, PAGE 42, AND AFFIDAVIT OF CORRECTION RECORDED IN INSTRUMENT NO. 89-475003 RECORDS OF MARICOPA COUNTY, ARIZONA.
- H) ESTRELLA PARCEL 56, ACCORDING TO BOOK 329 OF MAPS, PAGE 33, RECORDS OF MARICOPA COUNTY, ARIZONA.
- I) ESTRELLA PARCEL 56A, ACCORDING TO BOOK 419 OF MAPS, PAGE 42 IN INSTRUMENT NO. 96-0488725, RECORDS OF MARICOPA COUNTY, AZ.
- J) ESTRELLA PARCEL 57 AMENDED, ACCORDING TO BOOK 329 OF MAPS, PAGE 12, RECORDS OF MARICOPA COUNTY, ARIZONA.
- K) ESTRELLA PARCEL 58, ACCORDING TO BOOK 321 OF MAPS, PAGE 31; AND AFFIDAVIT OF CORRECTION RECORDED IN INSTRUMENT NO. 89-303317, RECORDS OF MARICOPA COUNTY, ARIZONA.
- L) ESTRELLA PARCEL 60, ACCORDING TO BOOK 321 OF MAPS, PAGE 30; AND AFFIDAVIT OF CORRECTION RECORDED IN INSTRUMENT NO. 89-336246, RECORDS OF MARICOPA COUNTY, AZ.
- M) SUNCHASE AT ESTRELLA PARCELS 62-64, ACCORDING TO BOOK 438 OF MAPS, PAGE 42 IN INSTRUMENT NO. 97-0236401, RECORDS OF MARICOPA COUNTY, ARIZONA.
- N) SUNCHASE AT ESTRELLA PARCEL 66, ACCORDING TO BOOK 442 OF MAPS, PAGE 03 IN INSTRUMENT NO. 97-0339182.
- O) PARCEL 308, IN INSTRUMENT NO. 89-0098746 RECORDS OF MARICOPA COUNTY, AZ.
- P) PARCEL 308, LANDSCAPE TRACT IN INSTRUMENT NO. 94-474763, RECORDS OF MARICOPA COUNTY, AZ.
- Q) PARCEL 38, IN INSTRUMENT NO. 88-571563 RECORDS OF MARICOPA COUNTY, AZ.
- R) PARCEL 38, LANDSCAPE TRACT IN INSTRUMENT NO. 94-474764, RECORDS OF MARICOPA COUNTY, AZ.
- S) PARCEL 53, IN INSTRUMENT NO. 90-387712 RECORDS OF MARICOPA COUNTY, AZ.
- T) PARCEL 53, LANDSCAPE TRACT IN INSTRUMENT NO. 94-474765, RECORDS OF MARICOPA COUNTY, AZ.
- U) NORTH LAKE & SOUTH LAKE, IN INSTRUMENT NO. 90-538561, RECORDS OF MARICOPA COUNTY, AZ.
- V) LAKES COMMON AREA, IN INSTRUMENT NO. 94-474760, RECORDS OF MARICOPA COUNTY, AZ.
- W) LAKES COMMON AREA, IN INSTRUMENT NO. 94-481850, RECORDS OF MARICOPA COUNTY, AZ.
- X) PARCEL 54 (BALLFIELD), IN INSTRUMENT NO. 97-0911325, RECORDS OF MARICOPA COUNTY, AZ.
- Y) APS SUB-STATION, IN INSTRUMENT NO. 88-618019, RECORDS OF MARICOPA COUNTY, AZ.
- Z) ESTRELLA PARCEL 52 AMENDED, ACCORDING TO BOOK 512 OF MAPS, PAGE 31, INSTRUMENT NO. 99-0878298, RECORDS OF MARICOPA COUNTY, ARIZONA.
- AA) PARCEL 26 ACCORDING TO BOOK 508 OF MAPS, PAGE 38, INSTRUMENT NO. 99-072948, RECORDS OF MARICOPA COUNTY, ARIZONA.
- BB) LAND DESCRIBED AS TAX PARCEL 400-03-022N AND ANY OTHER REAL PROPERTY INCLUDING RIGHTS-OF-WAY OWNED BY THE CITY OF GOODYEAR OR ANY OTHER GOVERNMENTAL AGENCY.
- CC) LAND DESCRIBED AS TAX PARCEL 400-52-211R.



COMMUNITY FACILITIES EXHIBIT B
ESTRELLA MOUNTAIN RANCH



CMX GROUP INC.
1515 E. MISSOURI, #115
PHOENIX, AZ 85014
PH (602)279-8436



Estrella Mountain Ranch General Obligation Bond Issuance

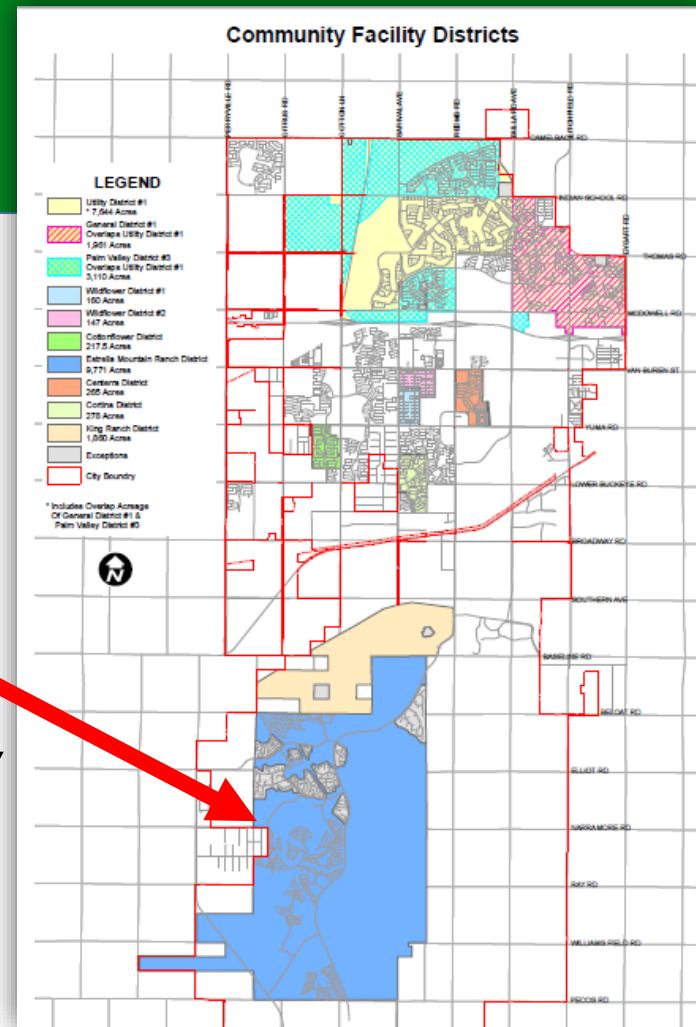
**District Board Meeting
November 13, 2023**

Community Facilities District

- Constructs or acquires infrastructure
- Issues bonds to pay for infrastructure
- Levies assessments to pay for bonds

Estrella Mountain Ranch CFD

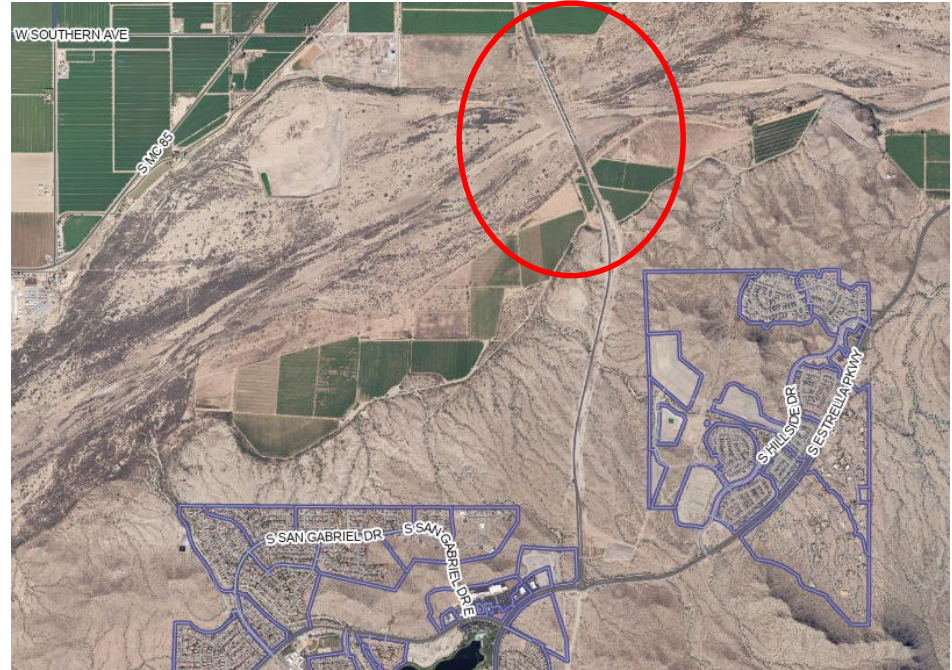
- 
- 2007



Feasibility Report

Project

- Cotton Lane Bridge
- \$3,546,316
 - Total reimbursable \$8M
- Completed July 2008



Feasibility Report

Financing Plan

Uses of Funds	Amount
Project Acquisition	\$11,076,415
Cost of Issuance and Underwriting	257,610
Bond Insurance	124,196
Total	\$11,458,221

Feasibility Report

Financing Plan

Source of Funds	Amount
Bond Proceeds	\$11,200,611
Developer Contribution	257,610
Total	\$11,458,221

Bond Issuance

- Public hearing on feasibility report
- Action on feasibility report
- Action on authorizing bonds

Conduct Public Hearing

ITEM #: 4.
DATE: 11/13/2023
AI #:1750



COMMUNITY FACILITIES DISTRICT REPORT

SUBJECT: AUTHORIZE ACTIONS NECESSARY FOR THE ISSUANCE OF THE ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR) GENERAL OBLIGATION BONDS, SERIES 2023.

STAFF PRESENTER(S): Jared Askelson, Deputy Finance Director

SUMMARY

Approval of resolution EMRCFD RES 2023-161 will authorize the sale, issuance, and delivery of general obligation bonds of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona), in an amount not to exceed \$15,500,000.

Recommendation

ADOPT RESOLUTION EMRCFD RES 23-161 AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF ITS GENERAL OBLIGATION BONDS, SERIES 2023, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,500,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND SECURITY AGREEMENT, A BOND PURCHASE AGREEMENT RELATING TO THE BONDS, A STANDBY CONTRIBUTION AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; RATIFYING AND APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE LEVYING OF AN AD VALOREM TAX ON TAXABLE PROPERTY IN THE DISTRICT FOR THE PAYMENT OF THE BONDS; AND RATIFYING ALL ACTIONS TAKEN OR TO BE TAKEN TO FURTHER THIS RESOLUTION.
(Jared Askelson, Deputy Finance Director)

FISCAL IMPACT

The proceeds of the bonds will be applied by the EMRCFD to the acquisition of the Public Infrastructure listed in the Feasibility Report. The proceeds of the bonds, net of costs of issuance, would be transferred to the developer responsible for the construction of the infrastructure. While the not to exceed amount listed in the Feasibility Report is \$15,500,000, the expected amount will be approximately \$11,200,000. Property owners within the District will pay the annual debt service payments for the general obligation bonds by a secondary property tax levy of not to exceed \$1.00 per \$100 of Net Limited Assessed Property Value on all taxable property within the boundaries of the District. This rate is equal to the current rate. Debt service amounts above \$1.00 per \$100 of Net Limited Assessed Property Value will be paid by the developer pursuant to a Standby Contribution Agreement.

BACKGROUND AND PREVIOUS ACTIONS

The District previously issued its District General Obligation Bonds, Series 2000, Series 2005, and Series 2007, to pay a portion of the costs of public infrastructure improvements for the District. The District is now considering the acquisition of additional public infrastructure previously constructed within the District.

The Board of Directors of the District has caused the Feasibility Report to be prepared, which Feasibility Report is a study of the feasibility and benefits of the project relating to certain public infrastructure provided for in the General Plan of the District and to be financed with the proceeds of the sale of general obligation bonds of the District. The Feasibility Report includes, among other things, a description of certain public infrastructure to be acquired and all other information useful to understand the project, an estimate of the cost to acquire, operate and maintain the project, an estimated schedule for completion of the project, a map or description of the area to be benefited by the project and a plan for financing the project.

The District Board has conducted a public hearing on the Feasibility Report and has adopted EMRCFD RES 2023-160 approving the Feasibility Report. EMRCFD RES 2023-161 provides for (i) the issuance, sale and delivery of the District's General Obligation Bonds, Series 2023, in the aggregate principal amount of not to exceed \$15,500,000, to acquire certain public infrastructure previously constructed within the District and identified in the Feasibility Report, (ii) approving the form and authorizing the execution and delivery of an indenture of trust and security agreement, a bond purchase agreement relating to the bonds, a standby contribution agreement, a continuing disclosure undertaking, and certain other documents securing the payment of the bonds; (iii) awarding the bonds to the purchaser thereof; (iv) ratifying and approving the form of a preliminary official statement relating to the bonds; (v) authorizing the preparation of a final official statement relating to the bonds; (vi) authorizing the levying of an ad valorem tax on taxable property in the district for the payment of the bonds; and (vii) ratifying all actions taken or to be taken to further this resolution.

STAFF ANALYSIS

District staff has reviewed EMRCFD RES 2023-161 and related materials and found this resolution is in compliance with state law, the existing development agreement between the City, the District and the developer and the City's CFD Guidelines.

Attachments

Presentation

Resolution EMRCFD 2023-161

Draft form of Indenture of Trust and Security Agreement

Draft form of Standby Contribution Agreement

Draft Bond Purchase Agreement

Draft Continuing Disclosure Undertaking

Draft Preliminary Official Statement



Estrella Mountain Ranch General Obligation Bond Issuance

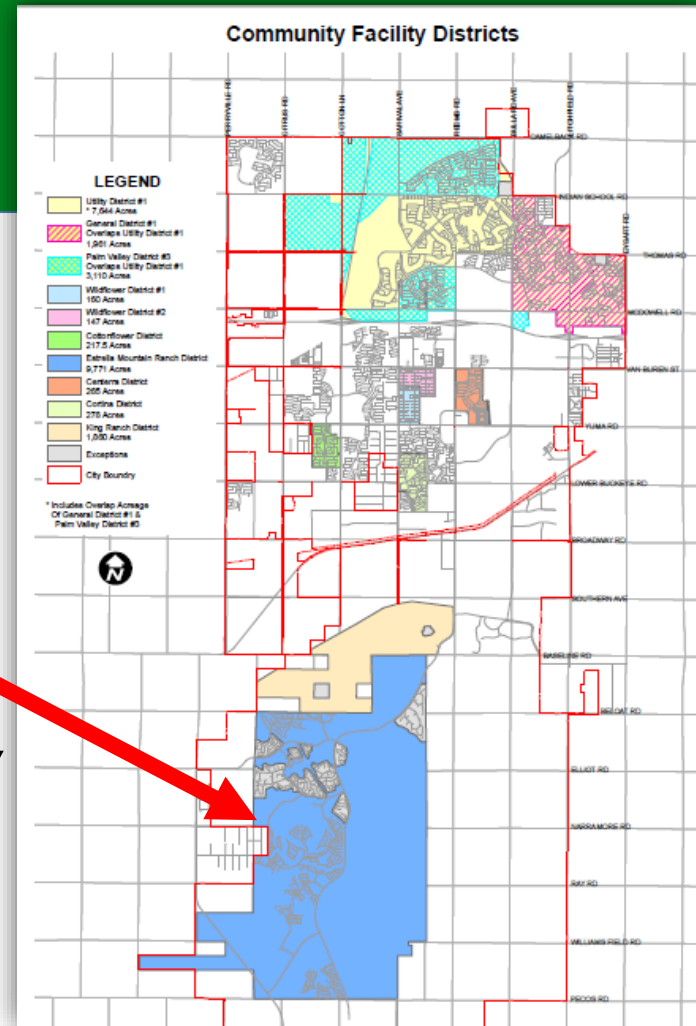
**District Board Meeting
November 13, 2023**

Community Facilities District

- Constructs or acquires infrastructure
- Issues bonds to pay for infrastructure
- Levies assessments to pay for bonds

Estrella Mountain Ranch CFD

- 
- 2007



Feasibility Report

Project

- Willis Road
- \$7,530,099
- Completed March 2010



Feasibility Report

Financing Plan

Uses of Funds	Amount
Project Acquisition	\$11,076,415
Cost of Issuance and Underwriting	257,610
Bond Insurance	124,196
Total	\$11,458,221

Feasibility Report

Financing Plan

Source of Funds	Amount
Bond Proceeds	\$11,200,611
Developer Contribution	257,610
Total	\$11,458,221

Bond Issuance

- Public hearing on feasibility report
- Action on feasibility report
- Action on authorizing bonds

Conduct Public Hearing

EMRCFD RES 23-161

A RESOLUTION OF THE BOARD OF DIRECTORS OF ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA) AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF ITS GENERAL OBLIGATION BONDS, SERIES 2023, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,500,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND SECURITY AGREEMENT, A BOND PURCHASE AGREEMENT RELATING TO THE BONDS, A STANDBY CONTRIBUTION AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; RATIFYING AND APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE LEVYING OF AN AD VALOREM TAX ON TAXABLE PROPERTY IN THE DISTRICT FOR THE PAYMENT OF THE BONDS; AND RATIFYING ALL ACTIONS TAKEN OR TO BE TAKEN TO FURTHER THIS RESOLUTION.

BE IT RESOLVED by the Board of Directors (“*District Board*”) of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “*District*”) as follows:

1. Findings.

(a) Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the “*Enabling Act*”) and a resolution adopted by the District Board, an election was ordered and called on December 13, 1999, to submit to the qualified electors of the District or to those persons who are otherwise qualified to vote (the “*Election*”) the question of authorizing the District Board to issue the general obligation bonds of the District to provide moneys for certain public infrastructure purposes consistent with the General Plan of the District.

(b) The District Board canvassed the Election and resolved that such bonds were authorized to be issued.

(c) Pursuant to the Enabling Act, the District Board has caused a study of the feasibility and benefits of the projects relating to certain public infrastructure (as defined in the Enabling Act) provided for in the General Plan of the District and to be financed with proceeds of the sale of a portion of such bonds, such study having been prepared by or on behalf of the District and including (1) a description of certain public infrastructure to be acquired and all other information useful to understand the projects, (2) a map showing, in general, the location of the projects, (3) the costs of constructing the projects, (4) an estimate of the cost to acquire, operate and maintain the projects, (5) a map or description of the area to be benefited by the projects, and (6) a plan for financing the projects (the “*Feasibility Report*”). A public hearing on the Feasibility Report was held November 13, 2023, after publication of notice of the hearing as provided by law. Pursuant to the Enabling Act and a resolution adopted on November 13, 2023, the Feasibility Report was approved in all respects.

(d) The District Board has determined, exercising its sole and unfettered discretion, to authorize the issuance of the general obligation bonds described herein (the “*Bonds*”). Proceeds of the Bonds will be used to provide funds for any and all of the public infrastructure purposes provided for in the Enabling Act, the Development, Financing Participation and Intergovernmental Agreement No. 1 (Estrella Mountain Ranch Community Facilities District), by and among the District, the City of Goodyear, Arizona (the “*City*”) and Estrella North, LLC, a Delaware limited liability company, as successor to Sun Chase Estrella Limited Partnership (the “*Owner*”) and the Feasibility Report, to the extent authorized in the Election.

(e) Upon issuance of the Bonds, the District Board (1) shall enter in its minutes a record of the Bonds sold and their numbers and dates and (2) shall annually levy and cause an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the District, sufficient, together with moneys from the sources described herein, to pay Debt Service (as such term is defined in the Enabling Act) when due.

(f) Pursuant to the Enabling Act, the District has also determined to enter into an Indenture of Trust and Security Agreement, to be dated as of December 1, 2023 (the “*Indenture*”), or such other date as set forth in the hereinafter defined Purchase Contract for the sale of the Bonds, from the District to U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”), to secure, and process the issuance, registration, transfer and payment and the disbursement and investment of proceeds of, the Bonds. (Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.) The District Board has determined by this resolution to authorize the issuance and sale of the Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the Bonds by the Trustee, to authorize the execution and delivery of the Indenture.

(g) The District Board has also determined to enter into a Standby Contribution Agreement, to be dated as of December 1, 2023 (the “*Standby Contribution Agreement*”), or such other date as set forth in the Purchase Contract, by and among the District, the Trustee and Owner, to pay debt service for the Bonds not paid from the revenues of the District’s tax levy for such purposes.

(h) The District Board shall receive a proposal for the purchase of the Bonds from Stifel, Nicolaus & Company, Incorporated (the “*Underwriter*”) in the form of a bond purchase agreement, to be dated of even date with the sale of the Bonds to the Underwriter (the “*Purchase Contract*”) and the District desires that the Bonds be sold through negotiation to the Underwriter on such terms as may hereafter be approved by the District Manager or District Treasurer.

(i) There have been placed on file with the District Clerk (1) the proposed form of the Indenture, (2) the proposed form of the Standby Contribution Agreement, (3) the proposed form of the Purchase Contract, (4) the proposed form of a Continuing Disclosure Undertaking relating to the Bonds, to be dated the date of delivery thereof (the “*Continuing Disclosure Undertaking*”) and (5) the proposed form of the Preliminary Official Statement relating to the Bonds, to be dated the date determined by the District Manager (the “*Preliminary Official*”).

Statement”), and which, with such completions and changes as may be necessary will constitute the form of the Final Official Statement (the “*Final Official Statement*”). The documents described in clauses (1) through (5), inclusive, of this paragraph are referred to collectively as the “*Bond Documents*.”

(j) The District Board hereby finds and determines that (1) the amount of indebtedness evidenced by the Bonds does not exceed the estimated cost of the public infrastructure improvements plus all costs connected with the public infrastructure purposes and issuance and sale of the Bonds to be financed therewith as indicated in the Feasibility Report and (2) the total aggregate outstanding amount of the Bonds and bonds previously issued does not exceed sixty percent (60%) of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is acquired by the District with proceeds of the Bonds all as provided in the Enabling Act.

(k) Within and by the parameters set forth in this resolution, the District Board shall authorize the execution, issuance and sale of the Bonds and their delivery to the Underwriter in accordance with the Purchase Contract and at such prices, interest rates, maturities and redemption features as may be hereafter determined.

2. Approval of Issuance and Sale of Bonds. The Bonds are hereby authorized to be issued as a series of general obligation bonds of the District to be designated “*Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) General Obligation Bonds, Series 2023*”. The Bonds shall be issued in an aggregate principal amount not to exceed \$15,500,000, shall be in fully registered form only, shall be dated as of the date of delivery and shall bear interest at rates and mature on the dates and in the amounts, in each case as provided in the Indenture, as may be approved by the District Manager or District Treasurer. The District Manager or District Treasurer is each hereby authorized and directed to determine on behalf of the District: (a) the dated date and total principal amount of Bonds (but not to exceed \$15,500,000), (b) the final principal and maturity schedule of the Bonds (but not maturing later than July 15, 2044), (c) the interest rate on each maturity of the Bonds and the dates for payment of such interest (but shall not exceed the interest rate allowed by the ballot question approved by the Election), (d) the provisions for redemption in advance of maturity of the Bonds, (e) the sales price and terms of the Bonds (including for original issue premium and/or discount), and (f) the provision for credit enhancement, if any, for the Bonds upon the advice of the Underwriter and the District’s Financial Advisor. The Bonds shall be sold to the Underwriter pursuant to the Purchase Contract. As a condition to the execution and delivery of the Bonds, there shall be executed and delivered the Bond Documents in substantially the same form as presented herewith with such insertions, deletions and changes as are not inconsistent herewith and as are approved by the District Manager or District Treasurer. The Bonds will bear interest from their date to the maturity or earlier redemption date of each of the Bonds provided that the bond yield, calculated in the manner bond yield is determined for arbitrage rebate purposes pursuant to United States Treasury Regulations, shall not exceed 7.00%.

3. Forms, Terms and Provisions and Execution and Delivery of Bonds. The forms, terms and provisions of the Bonds provided for in the Indenture are hereby approved, with only such changes therein as are not inconsistent herewith and as are approved by the officers authorized in the Indenture to execute the Bonds and, if appropriate, each is hereby authorized and directed to

execute and deliver them. (The persons who shall so execute and deliver the Bonds shall be the persons holding such offices at the time of the initial issuance and delivery of the Bonds.)

4. Forms, Terms and Provisions and Execution and Delivery of Bond Documents.

The forms, terms and provisions of the Bond Documents in substantially the forms of the Bond Documents (including the exhibits thereto) currently on file with the District Clerk or otherwise described herein, are hereby approved, with such insertions, deletions and changes as are consistent herewith and as are approved by the officers authorized to execute the Bond Documents, which approval will be conclusively demonstrated by the execution thereof, and the Chairperson (or any other member of the District Board in the event the Chairperson is absent or such signature cannot be obtained), the District Manager, the District Treasurer and the District Clerk or any of such officers (collectively, the “*Authorized Officers*”) are each hereby authorized and directed to execute the Bond Documents, as may be required.

5. Authorization to Execute and Deliver Order to Trustee. The District Manager, or other authorized designee, is hereby authorized to execute and deliver to the Trustee the written order of the District for the authentication and delivery of the Bonds by the Trustee.

6. Other Actions Necessary. The Chairperson (or any other member of the District Board in the event the Chairperson is absent or unable to take the desired action), the District Manager, the District Treasurer, the District Clerk and the officers of the District shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Bond Documents, including without limitation, the acquisition of credit enhancement for the Bonds, the execution and delivery of the closing and other documents required to be delivered in connection with the sale and delivery of the Bonds. (The persons who shall so take such actions shall be the persons holding such offices at the time of the initial issuance and delivery of the Bonds.) The District Manager or District Treasurer may agree, on behalf of the District, to provide annual continuing disclosure regarding the District to the Underwriter and such parties as the Underwriter may request and to use the services of a dissemination agent to satisfy such request.

7. Distribution of Disclosure Documents. The preparation and dissemination of the Preliminary Official Statement, in substantially the form currently on file with the District Clerk, are hereby authorized and approved. The Preliminary Official Statement shall be in a form that is approved and deemed as “final” for all purposes of the provisions of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, by any of the Authorized Officers. Any of the Authorized Officers shall approve and cause the Final Official Statement, in substantially the form of the Preliminary Official Statement referred to above, to be prepared and distributed in connection with the sale of the Bonds. The Authorized Officers are each hereby authorized to execute and deliver the Final Official Statement on behalf of the District.

8. Tax Levy.

(a) For each year while any Bond is outstanding, the District Board shall annually levy and thereafter forward to Maricopa County for collection an ad valorem tax, at the same time and in the same manner as other taxes are levied and collected on all taxable property in

the District, sufficient, together with any moneys from any sources authorized pursuant to the Enabling Act, pursuant to this resolution and provided for under the Bond Documents, to pay Debt Service when due, and to pay the District's operation and maintenance expenses. In no event shall that portion of the tax rate utilized to pay the operation and maintenance expenses of the District, in any year, exceed \$0.30 per \$100 of assessed valuation.

(b) Moneys derived from the levy of the tax provided for in this Section when collected and allocated to the Bonds constitute funds to pay Debt Service and shall be deposited in the Bond Fund for the Bonds and shall be kept separately from other funds of the District.

(c) The District Board shall make annual statements and estimates of the amount to be raised to pay Debt Service on the Bonds and such other costs of the District as are permitted under "public infrastructure purposes" as provided in the Enabling Act. The District Board shall file the annual statements and estimates with the City Clerk of the City, and shall publish a notice of the filing of the estimate. The District Board, on or before the date set by law for certifying the annual budget of the City, shall fix, levy and assess the amounts to be raised by ad valorem taxes of the District and shall cause certified copies of the order to be delivered to the Board of Supervisors of Maricopa County, Arizona, and to the State Department of Revenue. All statutes relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

9. No Obligation of the City. Nothing contained in this resolution, the Bond Documents or any other instrument shall be construed as obligating the City or as incurring a charge upon the general credit or any other credit or revenues of the City nor shall the breach of any agreement contained herein, in the Bond Documents or any other instrument or documents executed in connection therewith impose any charge upon the general credit or any other credit or revenues of the City.

10. Appointment of Trustee, District Clerk, District Manager. U.S. Bank Trust Company, National Association, is hereby confirmed as Trustee, Registrar and Paying Agent for the purpose of the Indenture. The District Clerk shall continue to be the person serving as City Clerk of the City. The District Manager shall continue to be the person serving as City Manager of the City.

11. Repeal of Resolution. After any of the Bonds are delivered by the Trustee to the Underwriter upon receipt of payment therefor, this resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged.

12. Severability; Amendment.

(a) If any section, paragraph, subdivision, sentence, clause or phrase of this resolution is for any reason held to be illegal, invalid or unenforceable, such decision will not affect the validity of the remaining portions of this resolution. The District Board hereby declares that it would have adopted this resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto

irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this resolution may be held illegal, invalid or unenforceable.

(b) This resolution may only be amended as provided by the terms of the Indenture.

13. Effective Date. This resolution shall be effective immediately.

[Signatures on following pages]

PASSED AND ADOPTED by the Board of Directors of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) on November 13, 2023, with a vote of _____.

**ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT (CITY
OF GOODYEAR, ARIZONA)**

Chairman, District Board

ATTEST:

District Clerk

APPROVED AS TO FORM:

Gust Rosenfeld P.L.C.
Bond Counsel

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)**

and

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

INDENTURE OF TRUST

AND

SECURITY AGREEMENT

DATED AS OF [____] 1, [20__]

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES [20__]**

TABLE OF CONTENTS
[TO BE UPDATED]

SECTION	PAGE
Parties	1
Recitals	1
Granting Clauses	2
 ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION.....	 4
Section 1.01 Definitions.....	4
Section 1.02 Acts of Bondholders.....	13
Section 1.03 Notices, etc.....	13
Section 1.04 Form and Contents of Documents Delivered to the Trustee.....	14
Section 1.05 Effect of Headings and Table of Contents	15
Section 1.06 Successors and Assigns.....	15
Section 1.07 Severability Clause	15
Section 1.08 Benefits of Indenture.....	15
Section 1.09 Governing Law	15
Section 1.10 Notice of A.R.S. § 38-511.....	15
Section 1.11 Business Day	16
Section 1.12 E-Verify Requirements	16
Section 1.13 No Boycott of Israel	16
Section 1.14 Written Certification; Forced Labor of Ethnic Uyghurs Ban.....	16
 ARTICLE II FORM OF BONDS	 16
Section 2.01 Form Generally	16
Section 2.02 Form of Bonds	17
Section 2.03 Form of Certificate of Authentication.....	22
Section 2.04 Form of Assignment.....	22
 ARTICLE III TERMS AND ISSUANCE OF THE BONDS	 23
Section 3.01 Title and Terms	23
Section 3.02 Payment of Interest on Bonds; Interest Rights.....	24
Section 3.03 Execution, Authentication, Delivery and Dating	25
Section 3.04 Registration, Transfer and Exchange	26
Section 3.05 Mutilated, Destroyed, Lost and Stolen Bonds	29
Section 3.06 Cancellation and Destruction of Bonds.....	29
Section 3.07 Persons Deemed Owners	29

ARTICLE IV	REDEMPTION OF BONDS.....	30
Section 4.01	Redemption of Bonds.....	30
Section 4.02	Mandatory Redemption; Credits	30
Section 4.03	Selection of Bonds to be Redeemed.....	31
Section 4.04	Notice of Redemption	31
Section 4.05	Deposit of Redemption Price and Interest	32
Section 4.06	Bonds Payable on Redemption Date	32
Section 4.07	Bonds Redeemed in Part	32
ARTICLE V	FUNDS.....	33
Section 5.01	Bond Fund.....	33
Section 5.02	Deposits to and Application of Bond Fund.....	33
Section 5.03	Acquisition and Construction Fund	33
Section 5.04	Deposits to and Application of Acquisition and Construction Fund	34
Section 5.05	Disposition of Proceeds of Bonds	34
Section 5.06	Investment of and Security for Funds	34
Section 5.07	Reports by Trustee	35
Section 5.08	Repayment to the Issuer	35
ARTICLE VI	DEFEASANCE AND RELEASES.....	36
Section 6.01	Payment of Indebtedness; Satisfaction and Discharge of Indenture	36
Section 6.02	Defeasance	37
Section 6.03	Application of Deposited Money	37
Section 6.04	Release of Standby Contribution Agreement.....	38
ARTICLE VII	DEFAULTS; REMEDIES	38
Section 7.01	Events of Default	38
Section 7.02	Suits for Enforcement; Mandamus.....	39
Section 7.03	Covenant to Pay Trustee Amounts Due on Bonds and Right of Trustee to Judgment.....	40
Section 7.04	Application of Money Collected.....	40
Section 7.05	Trustee May File Proofs of Claim.....	41
Section 7.06	Trustee May Enforce Claims Without Possession of Bonds	41
Section 7.07	Unconditional Right of Bondholders to Receive Principal, Premium and Interest	41
Section 7.08	Rights and Remedies Cumulative	42
Section 7.09	Delay or Omission Not Waiver.....	42
Section 7.10	Control by Bondholders	42
Section 7.11	Rights and Remedies of Bondholders	43
Section 7.12	Waiver of Past Defaults	43
Section 7.13	Undertaking for Costs	43
Section 7.14	Remedies Subject to Applicable Law	44

ARTICLE VIII	THE TRUSTEE.....	44
Section 8.01	Certain Duties and Responsibilities	44
Section 8.02	Certain Rights of Trustee	45
Section 8.03	Not Responsible for Recitals or Application of Proceeds.....	46
Section 8.04	May Hold Bonds	46
Section 8.05	Money Held in Trust	46
Section 8.06	Compensation and Reimbursement.....	46
Section 8.07	Corporate Trustee Required; Eligibility.....	47
Section 8.08	Resignation and Removal; Appointment of Successor.....	47
Section 8.09	Acceptance of Appointment by Successor.....	48
Section 8.10	Merger, Conversion, Consolidation, or Succession to Business.....	48
Section 8.11	Paying Agents; Appointment and Acceptance of Duties; Removal	48
ARTICLE IX	SUPPLEMENTAL INDENTURES; AMENDMENTS TO BOND RESOLUTION OR STANDBY CONTRIBUTION AGREEMENT	49
Section 9.01	Supplemental Indentures or Amendments to Bond Resolution or Standby Contribution Agreement Without Consent of Bondholders	49
Section 9.02	Supplemental Indentures or Amendments to the Bond Resolution or the Standby Contribution Agreement With Consent of Bondholders.....	49
Section 9.03	Execution of Supplemental Indentures and Amendments to Bond Resolution or Standby Contribution Agreement	50
Section 9.04	Effect of Supplemental Indentures and Amendments to Bond Resolution or the Standby Contribution Agreement.....	50
Section 9.05	Reference in Bonds to Supplemental Indentures or Amendments to Bond Resolution or the Standby Contribution Agreement	51
ARTICLE X	COVENANTS.....	51
Section 10.01	Pledge and Levy of Taxes.....	51
Section 10.02	Payment of Debt Service.....	52
Section 10.03	Maintenance of Agency	52
Section 10.04	Money for Bond Payments to be Held in Trust; Repayment of Unclaimed Money	52
Section 10.05	Further Assurances; Recording	53
Section 10.06	Compliance with Federal Law	53
Section 10.07	No Personal Liability of Officials of the Issuer	54
Section 10.08	Partial Invalidity.....	54
Signatures		55

THIS INDENTURE OF TRUST AND SECURITY AGREEMENT, dated as of [____], 1 [20__] (this “*Indenture*”), is from **ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA)**, a community facilities district formed by the City of Goodyear, Arizona, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter together with its successors referred to as the “*Issuer*” or the “*District*”), to **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association with trust powers, as trustee (hereinafter together with any successor to the trust herein granted referred to as the “*Trustee*”).

W I T N E S S E T H:

WHEREAS, pursuant to Arizona Revised Statutes (“A.R.S.”) Title 48, Chapter 4, Article 6, as amended (the “*Enabling Act*”), the board of directors of the Issuer (the “*Board*”) caused a general obligation bond election to be held on December 13, 1999 (the “*Election*”), submitting to those persons who were then qualified to vote pursuant to the Enabling Act the question of authorizing the Board to issue general obligation bonds of the Issuer to provide moneys for any “public infrastructure purposes” (as such term is defined in the Enabling Act) consistent with the General Plan for the District filed with the City Clerk of the City of Goodyear, Arizona (the “*Municipality*”) on November 22, 1999 (the “*General Plan*”); and

WHEREAS, pursuant to the Enabling Act, the Board has caused a report of the feasibility and benefits of the projects relating to certain public infrastructure provided for in the General Plan and to be financed with proceeds of the sale of a portion of such bonds, to be prepared by or on behalf of the Issuer, including a description of certain public infrastructure to be acquired or constructed and all other information useful to understand the projects, a map showing, in general, the location of the projects, an estimate of the cost to construct, acquire, operate and maintain the projects, a map or description of the area to be benefited by the projects, a schedule for completion of the projects, and a plan for financing the projects (the “*Report*”); and

WHEREAS, the issuance of \$200,000,000 general obligation bonds was approved at the Election, and pursuant to a resolution of the Board adopted on [____], 2023 (the “*Bond Resolution*”), the Board (1) has authorized the issuance of not to exceed \$[____] aggregate principal amount of the Issuer's General Obligation Bonds, Series [20__], described herein (the “*Bonds*”) to provide funds for any and all of the public infrastructure purposes provided for in the Enabling Act and in the Report to the extent authorized in the Election and (2) has entered in its minutes a record of the Bonds sold and their numbers and dates and levied and caused an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the Issuer sufficient, together with moneys from the sources described herein, to pay Debt Service (as such term and all other undefined terms are hereinafter defined) when due; and

WHEREAS, pursuant to the Enabling Act and A.R.S. § 9-500.05, as amended, the Municipality, the Issuer, SunChase Estrella Limited Partnership, a Delaware limited partnership (“*SunChase*”), and Residential Fund Corporation (“*Residential*”), each having an interest in real property within the boundaries of the Issuer, entered into a Development, Financing Participation and Intergovernmental Agreement No. 1 (the “*Development Agreement*”), as a “development agreement” under A.R.S. § 9-500.05, to specify, among other things, conditions, terms, restrictions and requirements for “public infrastructure” (as such term is defined in the Enabling Act) and the financing of public infrastructure; and

WHEREAS, thereafter SunChase conveyed the property in the District to Sun MP, LLC, an Arizona limited liability company; thereafter Sun MP, LLC conveyed the property in the District to NNP III – Estrella Mountain Ranch, LLC, a Delaware limited liability company; and thereafter NNP III – Estrella Mountain Ranch, LLC conveyed the property to Estrella North LLC, a Delaware limited liability company (the “Owner”), and each conveyance was approved by the Issuer and the Municipality; and

WHEREAS, with regard to the property that makes up the real property included within the boundaries of the Issuer, the Municipality, the Issuer and the Owner have specified some of such matters in the Development Agreement, particularly matters relating to the acquisition [and]/[or] construction of certain public infrastructure by the Issuer and the acceptance thereof by the Municipality, all pursuant to the Enabling Act; and

WHEREAS, pursuant to the Enabling Act, the Issuer has entered into this Indenture to secure and process the issuance, registration, transfer and payment and the disbursement and investment of proceeds of the Bonds; and

WHEREAS, pursuant to the Enabling Act, that certain Standby Contribution Agreement, dated as of [_____] 1, [20__] (the “*Standby Contribution Agreement*”), has been entered into by and among the Issuer, the Owner and the Trustee, and in accordance with the Standby Contribution Agreement the Owner shall make certain contributions to the Bond Fund established hereunder; and

WHEREAS, by adoption of the Bond Resolution, the Board has duly authorized the sale and issuance of the Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the Bonds by the Trustee, has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things have been done that are necessary to make the Bonds, when executed by the Issuer (or, as to any Bonds issued in exchange therefor or in lieu or upon transfer thereof, authenticated and delivered by the Trustee hereunder), valid obligations of the Issuer and to constitute this Indenture a valid security agreement, collateral assignment, and contract for the security of the Bonds, in accordance with the terms thereof and of this Indenture.

GRANTING CLAUSES

NOW, THEREFORE, the Issuer, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the premises and the mutual promises, representations, covenants and agreements contained herein and the purchase and acceptance of the Bonds by the Bondholders and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, agrees as follows: that, except as otherwise provided herein, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time Outstanding Secured Bonds under this Indenture, according to their tenor and effect, to secure the performance and observance of all the covenants and conditions in the Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, has executed and delivered this Indenture and has granted, bargained, sold, alienated, assigned, pledged, set over and confirmed, and by these presents does grant, bargain, sell, assign, pledge, set over and confirm unto U.S. Bank Trust Company, National Association as Trustee, to the extent provided herein, and to its successors and assigns forever, the following described property, franchises and income (the “*Trust Estate*”):

(a) All money and investments held for the credit of the Bond Fund established with the Trustee as hereinafter described shall be to secure only the payment of the principal of and interest on the Outstanding Secured Bonds but excluding any money in the Rebate Fund; and

(b) The Issuer's interest in the Standby Contribution Agreement; and

(c) Any and all property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien and security interest hereof by the Issuer or by anyone on its behalf (and the Trustee is hereby authorized to receive the same at any time as additional security hereunder), which subject to the lien and security interest hereof of any such property as additional security may be made subject to any reservations, limitations, or conditions that shall be set forth in a written instrument executed by the Issuer or the person so acting on its behalf or by the Trustee respecting the use and disposition of such property or the proceeds thereof.

TO HAVE AND TO HOLD as part of such Trust Estate all said property of every kind and description, real, personal, or mixed, hereby and hereafter (by supplemental indenture or otherwise) granted, bargained, sold, assigned, remised, released, conveyed, collaterally assigned, transferred, mortgaged, hypothecated, pledged, set over, or confirmed as aforesaid, or intended, agreed, or covenanted so to be, together with all the appurtenances thereto appertaining (said properties together with any cash and securities hereafter deposited or required to be deposited with the Trustee are deemed part of the Trust Estate (other than any such cash which is specifically stated herein not to be deemed part of the Trust Estate), unto the Trustee and its successors and assigns forever.

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Secured Bonds without any priority of any such Bond over any other such Bond and to secure the observance and performance of all terms, covenants, conditions, agreements and obligations of the Issuer hereunder, except as herein otherwise expressly provided.

UPON CONDITION that, if the Issuer, its successors or assigns shall well and truly pay the principal of and interest on the Outstanding Secured Bonds according to the true intent and meaning thereof, or there shall be deposited with the Trustee or a Paying Agent such amounts in such form in order that none of the Bonds shall remain Outstanding as herein defined and provided, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof and the observance or performance of all terms, covenants, conditions, agreements and obligations hereunder, then upon the full and final payment of all such sums and amounts secured hereby, or upon such deposit, this Indenture and the rights, titles, liens, security interests, and assignments herein granted shall cease, determine, and be void and this Indenture shall be released by the Trustee in due form at the expense of the Issuer, except only as herein provided and otherwise this Indenture to be and remain in full force and effect.

AND IT IS HEREBY COVENANTED AND DECLARED that all the Bonds are to be authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the further covenants, conditions, and trusts hereinafter set forth, and the Issuer hereby covenants and agrees to and with the Trustee, for the equal and proportionate benefit of all Holders of the Outstanding Secured Bonds except as herein otherwise expressly provided, as follows:

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

Section 1.01 Definitions. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

A. The terms defined in this Article, except when used in the forms set forth in Article Two, have the meanings assigned to them in this Article and include the plural as well as the singular.

B. All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed.

C. The words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, or other subdivision.

“*Acquisition and Construction Fund*” means the fund of the Issuer so defined in Section 5.03.

“*Act*” when used with respect to any Bondholder or Bondholders has the meaning stated in Section 1.02.

“*Annual Owner Payment*” shall have the meaning stated in Section 2.1(A) of the Standby Contribution Agreement.

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

“*Beneficial Owner*” means the purchaser of a beneficial ownership interest in the Bonds, as recorded by entries in the books and records of the Securities Depository and its Participants.

“*Board*” means the Board of Directors of the Issuer.

“*Board Resolution*” means a resolution of the Board certified by the District Clerk to be in full force and effect on the date of such certification and delivered to the Trustee.

“*Bond Counsel*” means a firm of attorneys of national reputation experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds, acceptable to the Issuer.

“*Bond Fund*” means fund of the Issuer so defined in Section 5.01.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement, dated [____], [20__], between the Issuer and the Underwriter.

“*Bond Register*” means the register maintained for the registration of the Bonds pursuant to Section 3.04(A).

“*Bond Resolution*” means the Board Resolution adopted on [____], [20__], which, among other things, provided for the issuance of the Bonds.

“*Bondholder*” means a Holder of a Bond.

“*Bonds*” means all bonds authenticated and delivered hereunder.

“*Book-Entry Bonds*” means the Bonds that are registered pursuant to the Book-Entry-Only System.

“*Book-Entry-Only System*” means the system of registering all of the Bonds in the name of the Securities Depository or its designee and reflecting the interests of the Beneficial Owners on the books of the Securities Depository and its Participants as described in Section 3.04(B).

“*Business Day*” means any day other than a Saturday, a Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally.

“*CEDE*” means CEDE & Co., as nominee of DTC, and any successor nominee of DTC.

“*Closing Date*” means the date of the initial authentication and delivery of the Bonds to the Securities Depository or its agent, for the benefit of the initial purchaser thereof in exchange for the purchase price thereof.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated pursuant thereto.

“*Costs of Acquisition and Construction*” means all items of expense directly or indirectly relating to the cost of the “public infrastructure purposes” (as such term is defined in the Enabling Act) and as described in the Report.

“*Costs of Issuance*” means all items of expense directly or indirectly payable by or reimbursable to the Issuer relating to the execution, sale and delivery of the Bonds and the execution and delivery of this Indenture and the Standby Contribution Agreement, including, but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, legal fees and charges, bond insurance and other credit enhancement fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Bonds, and charges and fees in connection with the foregoing.

“*Debt Service*” means, with respect to the Bonds or Parity Bonds, collectively, (i) the principal of and interest and premium, if any, thereon when due either at Stated Maturity or redemption in advance of Stated Maturity; (ii) fees and costs of registrars, trustees, paying agents or other agents necessary to handle the Bonds or Parity Bonds; and (iii) amounts due with regard to rebate (as described in the Tax Certificate) with respect to the Bonds or Parity Bonds; and (iv) subject to annual appropriation, fees and costs incurred in connection with complying with any undertaking to provide continuing secondary market disclosure if entered into by the Issuer with respect to the Bonds or Parity Bonds.

“*December Owner Payment*” shall have the meaning stated in Section 2.1(A) of the Standby Contribution Agreement.

“*Defaulted Interest*” has the meaning stated in Section 3.02(B)(2).

“*Development Agreement*” means that certain Development, Financing Participation and Intergovernmental Agreement No. 1 by and among the Municipality, SunChase, Residential and the Issuer, as thereafter amended, supplemented and assigned.

“*Direct Participant*” means those broker-dealers, banks and other financial institutions from time to time for which the Securities Depository holds Bonds as a securities depository.

“*District Clerk*” means the City Clerk of the Municipality acting in the capacity of clerk of the Issuer.

“*District Manager*” means the City Manager of the Municipality acting in the capacity of manager of the Issuer.

“*District Treasurer*” means the Finance Director of the Municipality acting in the capacity of treasurer of the Issuer.

“*DTC*” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns, the depository for the Book-Entry Bonds.

“*Election*” has the meaning set forth in the Recitals hereof.

“*Enabling Act*” has the meaning set forth in the Recitals hereof.

“*Fiscal Year*” means the period beginning on July 1 of any year and ending on June 30 of the next succeeding year.

“*Governmental Obligations*” means only obligations set forth in paragraphs (A) and (B) of the definition of Permitted Investments, which are not subject to redemption in advance of maturity at the option of the obligor thereon, and only the interest component of Resolution Funding Corp. (REFCORP) strips that have been stripped by request to the Federal Reserve Bank of New York and are held in book entry form.

“*Holder*” when used with respect to any Book-Entry Bond means CEDE or, with respect to any other Bond, means the Person in whose name such Bond is registered in the Bond Register.

“*Indenture*” has the meaning set forth in the introduction hereof, and shall refer to this instrument as originally executed or as it may from time to time be supplemented, modified, or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to the applicable provisions hereof.

“*Indirect Participant*” means a person on whose behalf a Direct Participant directly or indirectly holds an interest in the Bonds through the Book-Entry-Only System.

“Interest Payment Date” means each January 15 and July 15 commencing [____] 15, [20__].

“Issuer” means Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona), a community facilities district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State.

“Issuer Representative” means the Chairman or Vice Chairman of the Board, or the District Manager, District Treasurer or District Clerk, or any person designated in writing by any of the foregoing to act as Issuer Representative.

“Issuer Request” means a written request signed in the name of the Issuer by an Issuer Representative and delivered to the Trustee.

“June Owner Payment” shall have the meaning stated in Section 2.1(A) of the Standby Contribution Agreement.

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

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

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

“Municipality” means the City of Goodyear, Arizona.

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

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

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

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

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture;

(4) Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in Section 3.05; and

(5) Bonds for the payment of the principal of and interest on which money or Governmental Obligations or both are held by the Trustee or a Paying Agent with the effect specified in Section 6.02.

“*Outstanding Secured Bonds*” means, as of the date of determination, (1) all Bonds then Outstanding and (2) all Bonds, if any, alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in Section 3.05 but whose ownership and enforceability by the Holder thereof have been established by a court of competent jurisdiction or other competent tribunal or otherwise established to the satisfaction of the Issuer and the Trustee.

“*Owner*” means Estrella North LLC, a Delaware limited liability company.

“*Parity Bonds*” means other general obligation bonds of the Issuer that are payable from ad valorem property tax collections on parity with the Bonds.

“*Parity Debt Service*” means principal of and interest on all outstanding or hereafter issued Parity Bonds of the Issuer due for such Fiscal Year.

“*Participants*” means, collectively, the Direct Participants and Indirect Participants of the Securities Depository.

“*Paying Agent*” means any Person authorized by the Issuer to pay the principal of and interest and premium, if any, on any Bonds on behalf of the Issuer.

“*Permitted Investments*” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested herein:

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States:

1. U.S. Export-Import Bank
Direct obligations or fully guaranteed
Certificates of beneficial ownership
2. Farmers Home Administration
Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures

5. General Services Administration
Participation certificates
6. Government National Mortgage Association
Guaranteed mortgage-backed bonds
Guaranteed pass-through obligations
7. U.S. Maritime Administration
Guaranteed title XI financing
8. New Communities Debentures
U.S. government guaranteed debentures
9. U.S. Public Housing Notes and Bonds
U.S. government guaranteed public housing notes and bonds
10. U.S. Department of Housing and Urban Development
Project Notes Local Authority Bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following United States government agencies (non-full faith and credit agencies):

1. Federal Home Loan Bank System
Senior debt obligations
2. Federal Home Loan Mortgage corporation
Participation Certificates and senior debt Obligations
3. Federal National Mortgage Association (“FNMA”)
Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association
Senior Debt obligations

D. Money market funds registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a(7) under the Investment Company Act of 1940, and having a rating by S&P of “AAAm-G”; “AAAm”; or “AAm” or better and having a rating by Moody’s of “VMIG-1” or better, including funds which the Trustee or its affiliates provides investment advisory services.

E. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Company.

F. Investment agreements provided by entities with ratings on their long-term obligations or claims paying ability of “AA” or better by S&P and “Aa” or better by Moody’s and required to be collateralized to the then current requirements of S&P to always having a rating of at least “A” and the then current requirement of Moody’s to have a rating of at least “A”. An investment agreement may not be amended, and no investment agreement may be entered into in substitution for an investment

agreement unless each Rating Agency which has rated the Bonds has confirmed that the rating of such Rating Agency will not be withdrawn or lowered upon the effective date of such amendment or substitute investment agreement.

G. Commercial paper rated, at the time of purchase, “A-1” or better by S&P and Moody’s.

H. Bonds or notes issued by any state or municipality which are rated by S&P in one of the two highest rating categories assigned by such agency.

I. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “A-1” or “A” or better by S&P and “P-1” by Moody’s.

J. Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Issuer (buyer/lender), and the transfer of cash from the Issuer to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Issuer in exchange for the securities at a specified date. Repurchase Agreements must satisfy the following criteria.

1. Repos must be between the Issuer and a dealer bank or securities firm
 - a. Primary dealers on the Federal Reserve reporting dealer list, or
 - b. Banks rated “A” or above by S&P and rated “A” or above by Moody’s.
2. The written repo contract must include the following:
 - a. Securities which are acceptable for transfer are:
 - (1) Direct U.S. government, or
 - (2) Federal agencies backed by the full faith and credit of the U.S. government.
 - b. The term of the repo may be up to 180 days
 - c. The collateral must be delivered to the Issuer, the Trustee (if the Trustee is not supplying the collateral) before or simultaneous with payment (perfection by possession of certificated securities)
 - d. Valuation of Collateral
 - (1) The securities must be valued weekly, marked-to market at current market price plus accrued interest
 - (a) The value of collateral must be equal to 103% of the amount of cash transferred by the Issuer to the dealer bank or security firm under the repo plus accrued interest. If the

value of securities held as collateral falls below 103% of the value of the cash transferred by the Issuer, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the municipal entity:

a. Repo meets guidelines under state law for legal investment of public funds.

K. Governmental Obligations.

L. “REFCORP STRIPS” – obligations, representing interest on obligations of the Resolution Funding Corporation, the payment of such interest, if other revenues are insufficient, is required to be paid from the United States Treasury, which interest obligations are stripped by the Federal Reserve Bank of New York.

(If any security or Permitted Investment for which a rating level is required is on “credit watch,” “negative outlook” or similar status indicating a possible reduction in rating, it shall be treated as not having the rating required.)

“*Person*” means any individual, corporation, company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“*Place of Payment*” means the designated corporate trust office in of the Paying Agent.

“*Predecessor Bonds*” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular bond, and, for purposes of this definition, any bond authenticated and delivered under Section 3.05 in lieu of a mutilated, lost, destroyed, or stolen Bond shall be deemed to evidence the same debt as the mutilated, lost, destroyed, or stolen Bond.

“*Rating Agency*” means Moody’s or S&P.

“*Rebate*” means the payment system established by Section 148 of the Code with respect to certain arbitrage earnings by a political subdivision on amounts treated as the proceeds of certain obligations of such political subdivision and shall include all costs and expenses incurred.

“*Rebate Consultant*” means an accounting firm or a law firm or another person or firm with knowledge of or experience in advising bond trustees with respect to Rebate appointed by the Issuer.

“*Rebate Fund*” means the fund of the Issuer so defined in Section 10.06.

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

“*Redemption Price*” when used with respect to any bond to be redeemed means the amount to be paid on any Redemption Date for such redemption pursuant to the terms thereof and this Indenture.

“*Regular Record Date*” for the interest payable on the Bonds on any Interest Payment Date means the first day (whether or not a Business Day) of the calendar month of such Interest Payment Date.

“*Representation Letter*” means the letter agreement between the Issuer and the Securities Depository specifying or referring to the procedures applicable to bonds of the Issuer, including the Bonds, in the Book-Entry-Only System.

“*Responsible Officer*” means the chairman or vice chairman of the board of directors of the relevant entity, the chairman or vice chairman of the executive committee of said board, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller, any assistant controller, or any other officer or authorized Person of the relevant entity customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer of the relevant entity to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“*S&P*” means Standard & Poor’s Financial Services, LLC, or any entity succeeding to the duties and obligations thereof.

“*Securities Depository*” means DTC as securities depository for the Bonds until a successor securities depository is appointed pursuant hereto and thereafter shall mean such successor securities depository.

“*Special Record Date*” means such date set by the Trustee pursuant to Section 3.02(B)(2).

“*Standby Contribution Agreement*” has the meaning set forth in the Recitals hereof.

“*State*” means the State of Arizona.

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

“*Tax Certificate*” means the District Closing Certificate and Tax Certificate executed and delivered by the Issuer and delivered to the Trustee concurrently with the original issuance of the Bonds to set forth certain facts, expectations and agreements of the Issuer relative to the exemption from gross income for federal income tax purposes of interest on the Bonds.

“*Trustee*” means the Person named as the “Trustee” in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean such successor Trustee.

“*Trust Estate*” has the meaning stated in the habendum to the Granting Clauses.

“*Underwriter*” means [_____], as the underwriter of the Bonds pursuant to the Bond Purchase Agreement.

Section 1.02 Acts of Bondholders.

A. Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by Bondholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Bondholders in person or by an agent duly appointed in writing, and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Bondholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Issuer and (subject to Section 8.01) the Trustee, if made in the manner provided in this Section.

B. The fact and date of the execution by any Bondholder of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Whenever such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of execution of any such instrument or writing and the authority of any person executing as or on behalf of any Bondholder may also be proved in any other manner which the Trustee deems sufficient.

C. The ownership of any Bond shall be proved by the Bond Register for such Bonds.

D. Any request, demand, authorization, direction, notice, consent, waiver, or other action by the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer, whether or not notation of such action is made upon such Bond.

Section 1.03 Notices, etc.

A. Unless otherwise specifically provided herein, any request, demand, authorization, direction, notice, consent, waiver, or Act of Bondholders or other document provided or permitted by this Indenture by any Bondholder, the Issuer, or the Trustee to be made upon, given or furnished to, or filed with:

(1) the Trustee shall be sufficient for every purpose hereunder if made, given, furnished, or filed in writing to or with the Trustee at its principal corporate trust office or if in writing and mailed, first-class postage prepaid, to the Trustee addressed to it at [____], Attention: [____] or at any other address furnished in writing to such Person by the Trustee; or

(2) the Issuer shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona), 190 North Litchfield Road, Goodyear, Arizona 85338, Attention: District Manager, or at any other address previously furnished in writing to such Person by the Issuer.

B. Where this Indenture provides for notice to Bondholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Bondholder affected by such event, at the address of such Bondholder as it appears in the Bond Register for the Bonds. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders.

C. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

D. Unless otherwise specifically provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Trustee). Electronic signatures believed by the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the Issuer chooses to use electronic signatures to sign documents delivered to the Trustee, the Issuer agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

Section 1.04 Form and Contents of Documents Delivered to the Trustee.

A. Whenever several matters are required to be certified by, or covered by an opinion of, any specified type of person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

B. Any certificate or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that such certificate or opinion or representations are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

C. Whenever any Person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

D. Wherever in this Indenture, in connection with any application or certificate or report to the Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of compliance by the Issuer with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report.

Section 1.05 Effect of Headings and Table of Contents. The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.06 Successors and Assigns. All covenants and agreements in this Indenture by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 1.07 Severability Clause. In case any provision in this Indenture or in the Bonds or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

Section 1.08 Benefits of Indenture. Nothing in this Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Holders of Outstanding Secured Bonds, any benefit or any legal or equitable right, remedy, or claim under this Indenture.

Section 1.09 Governing Law. This Indenture shall be construed in accordance with and governed by the laws of the State and the federal laws of the United States of America.

Section 1.10 Notice of A.R.S. § 38-511. As required by the provisions of A.R.S. § 38-511, notice is hereby given that the Issuer may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the Issuer if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Issuer is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Indenture, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Indenture on behalf of the Issuer within three years from the execution of this Indenture, unless a waiver of A.R.S. § 38-511 is provided by the Issuer. No basis exists for the Issuer to cancel this Indenture pursuant to A.R.S. § 38-511 as of the date hereof.

Section 1.11 Business Day. If the specified date for any payment, submission, certification, determination or other action shall be other than a Business Day, then such payment, submission, certification, determination or other action may be made or done on the next succeeding day which is a Business Day without, in the case of any payment, additional interest (except in the event of a moratorium) and with the same force and effect as if made or done on the specified date.

Section 1.12 E-Verify Requirements. To the extent applicable under A.R.S. § 41-4401, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the “e verify” requirements under A.R.S. § 23-214(A). The breach by the Trustee of the

foregoing shall be deemed a material breach of this Indenture and may result in the termination of the services of the Trustee. The Issuer retains the legal right to randomly inspect the papers and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection during normal business hours by the Issuer. The Trustee shall cooperate with the random inspections by the Issuer including granting the Issuer entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

Section 1.13 No Boycott of Israel. To the extent A.R.S. §§ 35-393 through 35-393.03 are applicable, the Trustee hereby certifies that it is not currently engaged in, and agrees for the duration of this Indenture to not engage in, a “boycott” of goods or services from Israel, as that term is defined in A.R.S. § 35-393.

Section 1.14 Written Certification; Forced Labor of Ethnic Uyghurs Ban. To the extent A.R.S. § 35-394 is applicable, the Trustee hereby certifies it does not currently, and for the duration of this Indenture shall not use: (A) the forced labor of ethnic Uyghurs in the People’s Republic of China, (B) any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China, and (C) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China. The foregoing certification is made to the best knowledge of the Trustee without any current independent investigation or without any future independent investigation for the duration of this Indenture. If the Trustee becomes aware during the duration of this Indenture that it is not in compliance with such certification, the Trustee shall take such actions as provided by law, including providing the required notice to the Issuer. If the Issuer determines that the Trustee is not in compliance with the foregoing certification and has not taken remedial action, the Issuer shall terminate the Trustee’s role as trustee pursuant to Article VIII.

ARTICLE II

FORM OF BONDS

Section 2.01 Form Generally.

A. The Bonds, including the form of Certificate of Authentication and the form of Assignment to be reproduced on each of the Bonds, shall be substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and may have such letters, numbers, or other marks of identification (including identifying CUSIP numbers) and such legends and endorsements (including any reproduction of an Opinion of Counsel) placed thereon (or attached thereto) as may, consistently herewith, be determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

B. The definitive Bonds shall be printed or produced in any other manner, all as determined by the officers executing such bonds as evidenced by their execution thereof.

Section 2.02. Form of Bonds. The Bonds shall be in the following form:

[FORM OF BOND]

REGISTERED

REGISTERED

No. R-_____

\$_____

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

UNITED STATES OF AMERICA
STATE OF ARIZONA

ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BOND, SERIES [20__]

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Dated Date</u>	<u>Cusip No.</u>
_____%	July 15, _____	_____, [20__]	29758A ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS (\$_____.00)

Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona), a community facilities district formed by the City of Goodyear, Arizona (the "City"), and duly organized and validly existing, pursuant to the laws of the State of Arizona (the "Issuer"), for value received, hereby promises to pay to the "Registered Owner" specified above or registered assigns (the "Owner"), on the "Maturity Date" specified above unless earlier redeemed as provided herein, the "Principal Amount" specified above and to pay interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid portion thereof from the "Original Dated Date" specified above, or from the most recent "Interest Payment Date" (as such term is hereinafter defined) to which interest has been paid or duly provided for, until such Principal Amount is paid or the payment thereof is duly provided for at Maturity (as such term is defined in the hereinafter described "Indenture"), semiannually on each January 15 and July 15, commencing [____] 15, [20__] (each an "Interest Payment Date"), at the per annum "Interest Rate" specified above.

As provided in the Indenture, the interest, principal and "Redemption Price" (as such term is hereinafter defined) payable on the hereinafter described Bonds shall be paid to CEDE & Co. or its registered assigns in same-day funds no later than the time established by The Depository Trust Company (the "Depository") on the date due (or in accordance with then existing arrangements between the Issuer and the Depository).

If the specified date for any such payment shall be a Saturday, a Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally then such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment, except that in the event of a moratorium for banking institutions generally, such payment may be made on such next succeeding day

except that the Bonds on which such payment is due shall continue to accrue interest until such payment is made or duly provided for.

This bond is one of a duly authorized issue of bonds of the Issuer having the designation specified in its title (the “*Bonds*”), issued and to be issued in one series under, and all equally and ratably secured, with the limitations described herein, by an Indenture of Trust and Security Agreement, dated as of [_____] 1, [20__] (herein, together with all indentures supplemental thereto, referred to as the “*Indenture*”), from the Issuer to U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”, which term includes any successor trustee under the Indenture), to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder of the Owners of the Bonds, the Trustee, and the Issuer, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each Owner of this Bond hereby consents. The Bonds are authorized to be issued by a Resolution of the Board of Directors of the Issuer adopted on [_____] [20__] (the “*Bond Resolution*”), for the purposes therein described and in strict conformity with Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the “*Enabling Act*”).

The Bonds are payable, equally and ratably with such other obligations of the Issuer payable from such sources as may be outstanding from time to time and to the extent provided in the Indenture, from the proceeds of an ad valorem tax to be collected, unlimited as to rate or amount, at the same time and in the same manner as other taxes are levied and collected on all taxable property within the boundaries of the Issuer, sufficient together with any other moneys from sources available pursuant to the Enabling Act (including amounts available from the Standby Contribution Agreement as described below) to pay debt service on the Bonds when due. Estrella North LLC, a Delaware limited liability company (the “*Developer*”), as the developer of the land within the boundaries of the Issuer, has entered into a Standby Contribution Agreement, dated as of [_____] 1, [20__] (the “*Standby Contribution Agreement*”), with the Issuer and the Trustee pursuant to which the Developer will make payments to the Trustee to supplement tax revenues of the Issuer under certain circumstances as described therein and in the Indenture. The Standby Contribution Agreement may be released prior to the maturity of the Bonds by the Issuer upon satisfaction of certain conditions set forth in the Indenture.

Notwithstanding any provisions hereof or of the Bond Resolution, however, the Indenture may be released and the obligation of the Issuer to make money available to pay this bond may be defeased by the deposit of money and/or certain direct or indirect Governmental Obligations (as such term is defined in the Indenture) sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in the denominations of \$5,000 of principal and integral multiples of \$5,000 in excess thereof (“*Authorized Denominations*”).

Optional Redemption. The Bonds maturing on and after July 15, [20__], are subject to redemption, at the option of the Issuer, on any date on or after July 15, [20__], as a whole or in part, upon not more than 60 nor less than 30 days prior notice given by mail (as provided in the Indenture), upon payment of the “*Redemption Price*” which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the date fixed for redemption (the “*Redemption Date*”), but without premium.

Mandatory Redemption. The Bonds maturing on July 15, [20__], shall be redeemed on the following Redemption Dates and in the following amounts upon not more than 60 nor less than 30 days prior notice given by mail as provided in the Indenture, upon payment of the Redemption Price, which

shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date, but without premium:

Redemption Date	Principal
<u>(July 15)</u>	<u>Amount</u>
20____	
20____ (maturity)	

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

Upon any partial redemption of any Bond, the same shall, except as otherwise permitted by the Indenture, be surrendered in exchange for one or more new Bonds of the same maturity in authorized form for the unredeemed portion of principal. Bonds (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture and the Bond Resolution shall thereupon cease to be entitled to the benefits of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

If the money necessary for such redemption is not held by the Trustee at the time of mailing the notice of redemption, the notice shall further state that the redemption is conditional on such money being so held on the date set for redemption, and that if not so held, the redemption shall be cancelled and the notice shall be of no force or effect.

If less than all the Outstanding Bonds are to be redeemed, the particular Bonds of a maturity to be redeemed shall be determined by the Depository pursuant to its procedures.

The Bonds shall initially be issued as a single fully-registered bond in each Stated Maturity and so long as the ownership of the Bonds is maintained in book-entry form by the Depository or a nominee thereof, this Bond may be transferred in whole but not in part only to the Depository or a nominee thereof or to a successor depository or its nominee.

Neither the Issuer nor the Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner (as such term is defined in the Indenture) or any other person not shown on the registration books of the Trustee as being an Owner with respect to: (1) the Bonds; (2) the accuracy of any records maintained by the Depository or any Direct Participant or Indirect Participant; (3) the timely or untimely payment by the Depository or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (4) the delivery by any Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Resolution or the Indenture to be given to Owners; (5) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (6) any consent given or other action taken by the Depository as Owner.

The Owner of this Bond has no right to enforce the provisions of the Bond Resolution or the Indenture, or to institute action to enforce the pledge, assignment or covenants made therein or to take any action with respect to an Event of Default described in the Indenture or to institute, appear in, or defend any suit, action or other proceeding at law or in equity with respect thereto, except as provided in the Indenture.

The liability of the Issuer and obligations of the Issuer pursuant to the Indenture with respect to all or any portion of the Bonds may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Indenture.

No covenant or agreement contained in the Bonds, the Indenture or in the Bond Resolution shall be deemed to be the covenant or agreement of any elected or appointed official, officer, agent, servant or employee of the Issuer in his or her individual capacity or of any officer, director, agent, servant or employee of the Trustee or the Owner in his or her individual capacity, and neither the members of the governing body of the Issuer nor any official executing the Bonds, including any officer or employee of the Trustee, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Terms used, but not defined, herein have the meanings set forth in the Indenture. Copies of the Bond Resolution and Indenture are on file at the designated office of the Trustee, and reference is made to those instruments for the provisions relating, among other things, to the terms and source of payment and security for the Bonds, the limited liability of the Issuer, the custody and application of the proceeds of the Bonds, the rights and remedies of the Owners of the Bonds, amendments, and the rights, duties and obligations of the Issuer and the Trustee, to all of which the Owner hereof, by acceptance of this bond, assents.

The Bond Resolution and the Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Owners of the Bonds under the Bond Resolution, the Indenture and the Standby Contribution Agreement at any time by the Issuer and the consent of the Owners of a majority in principal amount of the Bonds at the time Outstanding (as such term is defined in the Indenture) affected by such modification. The Bond Resolution and Indenture also contain provisions permitting the Owners of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Owners of all the Bonds, to waive compliance by the Issuer with certain past defaults under the Bond Resolution or the Indenture and their consequences. Any such consent or waiver by the Owner of this bond or any Predecessor Bond (as such term is defined in the Indenture) evidencing the same debt shall be conclusive and binding upon such Owner and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this bond.

The Issuer, the Trustee, and any agent of either of them may treat the person in whose name this bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this bond be overdue, and none of the Issuer, the Trustee, and any such agent shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF GOODYEAR, ARIZONA, OR THE STATE OF ARIZONA OR ANY POLITICAL

SUBDIVISION THEREOF (OTHER THAN THE ISSUER) IS PLEDGED TO THE PAYMENT OF THE BONDS.

Unless the Certificate of Authentication hereon has been executed by the Trustee, by manual signature, this bond shall not be entitled to any benefit under the Bond Resolution or the Indenture or be valid or obligatory for any purpose.

It is hereby certified, covenanted, and represented that all acts, conditions and things required to be performed, exist, and be done precedent to or in the issuance of this bond in order to render the same a legal, valid, and binding general obligation of the Issuer have been performed, exist and have been done, in regular and due time, form, and manner, as required by law, and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. This bond shall be construed in accordance with and governed by the laws of the State of Arizona and the federal laws of the United States of America.

IN WITNESS WHEREOF, the Issuer has caused this bond to be duly executed.

**ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)**

By _____
Chairman, Board of Directors

ATTEST:

District Clerk

STATEMENT OF INSURANCE

[(INSERT INSURANCE STATEMENT HERE, IF APPLICABLE)]

[END OF FORM OF BOND]

Section 2.03. Form of Certificate of Authentication. Each of the Bonds shall have the following form printed thereon:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within-mentioned Indenture.

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

By _____
Authorized Representative

DATE: [____], [20__].

Section 2.04. Form of Assignment. Each of the Bonds shall have printed thereon the following form:

The following abbreviations, when used on this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of
survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT - _____ (Custodian)
Custodian for _____ (Minor) Under Uniform
Gifts/Transfers to Minors Act of _____ (State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For Value Received the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address, and zip code of transferee):

(Print or typewrite Social Security or other identifying number of transferee:

_____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints (print or typewrite name of attorney) _____, attorney, to transfer the within Bond on the book kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature(s) on this assignment must correspond with the name(s) of the registered owner(s) appearing on the face of the within Bond in every particular

ARTICLE III

TERMS AND ISSUANCE OF THE BONDS

Section 3.01 Title and Terms.

A. There shall be one series of Bonds issued and secured hereunder entitled “ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA) GENERAL OBLIGATION BONDS, SERIES [20__]” dated as of [____], [20__].

B. The Bonds shall be issued in Authorized Denominations and contain such terms and provisions as set forth in the form of Bond established herein and as provided by this Indenture.

C. The aggregate principal amount of the Bonds which may be authenticated and delivered and Outstanding is limited to \$[____], and the Stated Maturities, the principal amounts thereof maturing thereon, and the rates of interest the Bonds so maturing shall bear shall be as follows:

Maturity Date (July 15)	Principal Amount	Interest Rate

D. The Bonds shall bear interest, calculated on the basis of a 360-day year of twelve 30-day months, from and including the dated date of the Bonds, or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each January 15 and July 15 commencing [_____] 15, [20__].

E. (1) So long as the Book-Entry-Only System is in effect, principal of or Redemption Price on any Bond shall be paid when due to the Securities Depository pursuant to the procedures established therefor pursuant to the Representation Letter.

(2) If the Book-Entry-Only System is not in effect, the principal of or Redemption Price for the Bonds shall be payable upon surrender of the Bonds to the Paying Agent in the Place of Payment when due; provided, however, surrender shall not be required for mandatory sinking fund payments that do not represent final maturity. Interest on the Bonds payable on any Interest Payment Date shall be payable as provided in Section 3.02(B).

Section 3.02 Payment of Interest on Bonds; Interest Rights.

A. So long as the Book-Entry-Only System is in effect, interest on any Bond shall be paid when due to the Securities Depository pursuant to the procedures established therefor pursuant to the Representation Letter.

B. If the Book-Entry System is not in effect:

(1) Interest on any Bond that is payable on, and is punctually paid or duly provided for on, any Interest Payment Date shall be paid to the Person in whose name that Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest. Such interest, in the absence of other arrangements acceptable to the Paying Agent made by the Bondholder as of such date, shall be paid by check payable to the order and mailed on the Interest Payment Date to the address of such Bondholder as the same appears on the Bond Register as of the Regular Record Date and such payment shall be deemed to be at the Place of Payment. Additionally, payment of interest (and payment of principal if provision for surrender of the Bonds is made with the Trustee) may also be made by wire transfer upon 20 days prior written request delivered to the Paying Agent specifying a wire transfer address in the United States of America by any Holder of Bonds owning an aggregate principal amount of at least \$1,000,000. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in writing delivered by the Holder to the Paying Agent, any such rescission or change must be received by the Paying Agent at least 20 days prior to the next applicable Interest Payment Date.

(2) Any interest on any Bond that is payable on, but is not punctually paid or duly provided for on, any Interest Payment Date (herein referred to as “*Defaulted Interest*”) shall forthwith cease to be payable to the Bondholder on the relevant Regular Record Date solely by virtue of such Bondholder having been such Bondholder. Such Defaulted Interest shall thereupon be paid by the Issuer to the Persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such portion of Defaulted Interest as may then be paid from the sources herein provided. The Issuer shall promptly notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit

with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Bondholders entitled to such Defaulted Interest as in this Subsection provided and not to be deemed part of the Trust Estate for the other than Outstanding Secured Bonds. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment by the Trustee and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Holder at his address as it appears in the Bond Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date.

(3) Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange, or substitution.

Section 3.03 Execution, Authentication, Delivery and Dating.

A. The Bonds shall be executed on behalf of the Issuer by the Chairman or Vice Chairman of the Board and attested by the District Clerk. The signature of any of these officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were at the time the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them shall cease to hold such offices prior to the certification or authentication and delivery of such Bonds or shall not have held such offices at the date of such Bonds.

B. Forthwith upon the execution and delivery of this Indenture, the Issuer shall deliver to the Trustee the Bonds, executed by the Issuer, and the Trustee shall thereupon authenticate the Bonds and deliver the Bonds to the Persons and in the principal amounts that were designated in writing to the Trustee not less than five Business Days in advance of the receipt by the Trustee of:

(1) the Bond Resolution, duly and validly adopted by the Board, authorizing the execution and delivery of this Indenture and the authentication and delivery of the Bonds;

(2) the Standby Contribution Agreement duly and validly executed and delivered by the parties thereto, and evidence of performance of the obligations of the Owner and the Issuer thereunder to be performed by the Owner and the Issuer prior to or simultaneously with the delivery of the Bonds; and

(3) the purchase price for the Bonds specified in the Bond Purchase Agreement.

C. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Bonds executed by the Issuer to the Trustee for authentication, and the Trustee shall authenticate and deliver such Bonds as provided in this Indenture.

D. No Bond shall be entitled to any right or benefit under this Indenture, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication substantially in the form provided in Section 2.03, executed by the Trustee by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or authenticated and delivered.

E. All Bonds authenticated and delivered by the Trustee hereunder shall be dated the date of their authentication.

F. The Bonds shall constitute general obligations of the Issuer. The Bonds shall be payable from (i) the proceeds of ad valorem property taxes imposed each year upon all taxable property in the Issuer without limit as to rate or amount, (ii) any revenue derived directly or indirectly from the enforcement of the collection of such taxes, (iii) all moneys and earnings thereon held in the funds or accounts herein created under the terms hereof (except the Rebate Fund), and (iv) amounts paid by Owner under the Standby Contribution Agreement.

Section 3.04 Registration, Transfer and Exchange.

A. The Issuer shall cause to be kept (at its agency for payment of the Bonds) in the Place of Payment a register (herein referred to as the “*Bond Register*”) for the Bonds in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of the Bonds and registration of transfers of Bonds as herein provided.

B. Book-Entry-Only System:

(1) The Bonds shall be initially executed and delivered in the form of a separate, single, authenticated, fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial execution, authentication, and delivery, the ownership of the Bonds shall be registered in the Bond Register in the name of CEDE, as nominee of DTC, the Securities Depository for the Bonds. The Trustee, the Paying Agent and the Issuer may treat the Securities Depository (or its nominee) as the sole, exclusive, and absolute owner of the Bonds registered in its name for all purposes, whether or not such Bond shall be overdue (including, without limitation, receiving payment of the principal of and premium, if any, and interest on the Bonds, selecting Bonds or portions thereof to be redeemed, giving any notice required or permitted to be given to Bondholders hereunder, registering the transfer of Bonds, obtaining any consent from the Bondholders, and providing for any other action to be taken by the Bondholders hereunder), and none of the Trustee, the Paying Agent or the Issuer shall be affected by any knowledge or notice to the contrary. So long as the Bonds are registered in the name of a Securities Depository, including DTC, or its nominee, including CEDE, payment of the principal of, premium, if any, purchase price of, and interest on such Bonds shall be made only to the Securities Depository or its nominee as such Holder, which payments shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid. None of the Paying Agent, the Trustee or the Issuer shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in a Bond under or through the Securities Depository or any Participant, or any other person which is not shown in the Bond Register as being a Holder,

with respect to: the accuracy of any records maintained by the Securities Depository or any Participant; the payment by the Securities Depository or any Participant of any amount in respect of the principal of, premium on, if any, purchase price of, or interest on the Bonds; any notice which is permitted or required to be given to Bondholders hereunder; the selection by the Securities Depository or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by the Securities Depository (or its nominee) as the Holder of the Bonds. Except under the conditions specified in subsection (C) of this Section 3.04, no person other than the Securities Depository shall receive authenticated Bonds. Upon delivery by the Securities Depository to the Paying Agent of written notice to such effect, the Securities Depository may substitute a new nominee in place of any existing nominee and subject to the provisions herein with respect to Record Dates, the term “CEDE” in this Indenture shall refer to such new nominee of the Securities Depository.

(2) The Issuer has entered into the Representation Letter with the Securities Depository in connection with the issuance of its bonds, including the Bonds, and while the Representation Letter is in effect, the procedures established therein shall apply to the Bonds notwithstanding any other provisions of this Indenture to the contrary. Any Issuer Representative is authorized to execute a Representation Letter or such other documents as may be necessary for the Issuer to participate in the Book-Entry-Only System of the Securities Depository.

(3) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Securities Depository, or its nominee, all payments with respect to principal of, premium on, if any, purchase price of, and interest on, such Bond, and all notices with respect to such Bond, shall be made and given, respectively, as provided in the Representation Letter.

(4) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture by the Issuer or the Trustee with respect to any consent or other action to be taken by Bondholders, the Issuer, or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the incumbent Securities Depository, if any, notice of such record date not less than 15 calendar days in advance of such record date to the extent practicable.

C. Discontinuance of Book-Entry-Only System. In the event (1) DTC, or any successor as Securities Depository, determines not to continue to act as Securities Depository, or (2) the Issuer determines that the incumbent Securities Depository shall no longer so act, and delivers a written certificate of an Issuer Representative to such incumbent Securities Depository, the Trustee and the Paying Agent to that effect, then the Issuer shall discontinue the Book-Entry-Only System with the incumbent Securities Depository. If the Issuer determines to replace the incumbent Securities Depository with another Securities Depository, the Issuer shall prepare or direct the preparation of replacement Bonds for the Bonds registered in the name of the incumbent Securities Depository, or its nominee, to be registered in the name of such successor Securities Depository, or its nominee, or make such other arrangements acceptable to the Issuer, the Paying Agent, the Trustee and the successor Securities Depository as are not inconsistent with the terms of this Indenture. If the Issuer fails to identify a successor Securities Depository to replace the incumbent Securities Depository, then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the incumbent Securities Depository or its nominee, but shall be registered in whatever name or names the incumbent Securities Depository, or its nominee, shall designate in accordance with the provisions of Section 3.04(D). In such event the Issuer shall, at its expense, prepare, execute, and deliver a sufficient quantity of Bonds to the Trustee for authentication and

delivery to carry out the transfers and exchanges provided in this Section and Section 3.04(D). All such Bonds shall be in fully registered form in Authorized Denominations.

D. If Book-Entry-Only System is Not in Effect. If, and so long as, the Book-Entry-Only System is not in effect, the following provisions shall apply.

(1) The Bonds shall be issued in the form of fully registered Bonds in Authorized Denominations. The interest on the Bonds shall be payable on the Interest Payment Dates by check mailed by the Paying Agent to the respective Holders thereof at their addresses as they appear on the applicable Record Date in the Bond Register, except that in the case of a Holder of \$1,000,000 or more in aggregate principal amount of Bonds, upon the written request of such Holder to the Paying Agent, received at least 10 days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Bondholder by an instrument in writing delivered to the Paying Agent. The principal of and premium, if any, on each Bond shall be payable on the Stated Maturity, as applicable, or on redemption prior thereto, upon surrender thereof at the principal corporate trust office of the Paying Agent.

(2) Upon surrender for transfer of any Bond to a Paying Agent therefor in the Place of Payment, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new fully registered Bonds, of any Authorized Denominations, and of a like aggregate principal amount as requested by the transferor.

(3) At the option of the Bondholder, Bonds may be exchanged for other Bonds of any Authorized Denominations, and of like aggregate principal amount and Stated Maturity, upon surrender of the Bonds to a Paying Agent therefor in the Place of Payment. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder of Bonds making the exchange is entitled to receive.

(4) All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same security and benefits hereunder and under the Bond Resolution, as the Bonds surrendered upon such transfer or exchange.

(5) Every Bond presented or surrendered for transfer or exchange shall be duly endorsed (if so required by the Trustee), or be accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed, by the Holder thereof or his attorney duly authorized in writing.

(6) The Trustee may require payment of a sum sufficient to cover any tax or other charges that may be imposed in connection with any transfer or exchange of Bonds.

(7) Neither the Issuer nor the Trustee shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of Bonds under Section 4.04 and ending at the close of business on the day of such mailing or (ii) thereafter to transfer or exchange any Bond to be redeemed in whole or in part pursuant to such notice.

Section 3.05 Mutilated, Destroyed, Lost and Stolen Bonds.

A. If (1) any mutilated Bond is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the Trustee such security or indemnity as may be required by it to save each of the Issuer and Trustee harmless, then, in the absence of notice to the Issuer or the Trustee that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon a request of the Issuer Representative, the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same series and of like tenor and, aggregate principal amount and Stated Maturity bearing a number not contemporaneously outstanding; provided, however, in case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer or the Trustee in its discretion may pay such Bond instead of issuing a new Bond. If, after the delivery of such new Bond or payment, a bona fide purchaser of the original Bond in lieu of which such new Bond was issued or payment made presents for payment such original Bond, the Issuer and the Trustee shall be entitled to recover such new Bond or payment from the Person to whom it was delivered or to which payment was made or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expenses incurred by the Issuer or the Trustee in connection therewith.

B. Upon the issuance of any new Bond under this Section or payment in lieu of the issuance of a new Bond, the Issuer or the Trustee may require the payment of a sum sufficient to cover any tax or other charges that may be imposed in relation thereto and any other expenses and fees of the Trustee connected therewith.

C. Every new Bond issued pursuant to this Indenture in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Bond Resolution authorizing the Bonds and of this Indenture equally and ratably with all other Outstanding Bonds.

D. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

Section 3.06 Cancellation and Destruction of Bonds. All Bonds surrendered for payment, redemption, transfer, exchange, replacement or conversion, and all Bonds, if surrendered to the Trustee, shall be promptly canceled by the Trustee and, if surrendered to the Issuer or any Paying Agent, shall be delivered to the Trustee and, if not already canceled, shall be promptly canceled by the Trustee. The Issuer may at any time deliver to the Trustee for cancellation any Bonds previously certified or authenticated and delivered which the Issuer may have acquired by any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond canceled as provided in this Section, except as expressly provided by this Indenture. Certificates evidencing destruction shall be maintained by the Trustee in accordance with its current record retention policy.

Section 3.07 Persons Deemed Owners. The Issuer, the Trustee, and their agents may treat the Person in whose name any Bond is registered as the Bondholder of such bond for the purpose of receiving payment of the principal (and Redemption Price) of and interest on such Bond as provided herein and for

all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, none of the Issuer, the Trustee, and any such agent shall be affected by any knowledge or notice to the contrary.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01 Redemption of Bonds.

A. The Bonds maturing on and after July 15, [20__] are subject to redemption from funds of the Issuer at the option of the Issuer, prior to their Stated Maturity in whole or in part on any date on or after July 15, [20__] upon not more than 60 nor less than 30 days prior notice given as provided in Section 4.04, upon payment of the Redemption Price, which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date, but without premium.

B. The exercise by the Issuer of its option to redeem any Bonds shall be evidenced by a Board Resolution. In case of any redemption at the election of the Issuer of less than all of the Outstanding Bonds, the Issuer shall, at least 60 days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the principal amount and maturities of the Bonds to be redeemed.

Section 4.02 Mandatory Redemption; Credits.

A. Reserved.

B. The Bonds maturing on July 15, [20__], shall be redeemed on the following Redemption Dates and in the following amounts upon not more than 60 nor less than 30 days prior notice given by mail as provided in this Indenture, upon payment of the Redemption Price, which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date, but without premium:

Redemption Date ____ (July 15) ____	Principal <u>Amount</u>
20____	
20____ (maturity)	

C. Reserved.

D. Reserved.

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

Section 4.03 Selection of Bonds to be Redeemed.

A. If less than all the Outstanding Bonds of a Stated Maturity of the Bonds are to be redeemed, the particular Bonds of such Stated Maturity of the Bonds to be redeemed shall be selected by lot by the Securities Depository according to its procedures. If the Bonds are not Book-Entry Bonds, the selection shall be made not more than 45 days prior to the Redemption Date by the Trustee from the Outstanding Bonds that have not previously been called for redemption, by such random method as the Trustee shall in its sole discretion deem appropriate and which may provide for the selection for redemption of portions (equal to Authorized Denominations) of the principal of Bonds and provided that no Bonds shall be redeemed if such redemption would result in such Bond being less than the minimum Authorized Denomination for such Bonds.

B. The Trustee shall promptly notify the Issuer in writing of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 4.04 Notice of Redemption.

A. Notice of redemption shall be given by the Trustee in the name and at the expense of the Issuer, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Bonds to be redeemed, at the address appearing in the Bond Register.

B. All notices of redemption shall include a statement as to:

- (1) the Redemption Date;
- (2) the Redemption Price;
- (3) the principal amount of Bonds to be redeemed and, if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (4) that on the Redemption Date, the Redemption Price of each of the Bonds to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date;
- (5) that, if the money necessary for such redemption is not held by the Trustee at the time of mailing the notice of redemption, the redemption is conditional on the Redemption Price being held by the Trustee on the Redemption Date, and if not so held, the redemption shall be cancelled, and the notice shall be of no force or effect; and
- (6) that, except as otherwise provided under the Book-Entry-Only System, Bonds to be redeemed are to be surrendered for payment of the Redemption Price to the Paying Agent in the Place of Payment and the address of such Paying Agent.

C. Notices of redemption shall also be sent pursuant to this Section for receipt no later than the close of business on the second Business Day prior to the mailing of such notice by

(1) registered or certified mail, (2) overnight delivery service, or (3) electronic or facsimile transmission, to the Municipal Securities Rulemaking Board, currently through the Electronic Municipal Market Access system, and (4) to DTC in the manner required by DTC (or any successor Securities Depository).

D. Neither the failure to mail any notice required by subsection C hereof, nor any defect in any notice so mailed, shall affect the sufficiency of such notice or the redemption otherwise effected by such notice.

E. The notice shall state that if, on the specified redemption date, moneys for redemption of all the Bonds to be redeemed, together with interest to the date of redemption, shall be held by the Trustee, then, from and after such date of redemption, interest with respect to the Bonds so called shall cease to accrue and become payable. If the money necessary for such redemption is not held by the Trustee at the time of mailing the notice of redemption, the notice shall further state that the redemption is conditional on such money being so held on the date set for redemption, and that if not so held, the redemption shall be cancelled and the notice shall be of no force or effect.

Section 4.05 Deposit of Redemption Price and Interest. Unless a conditional notice of redemption is anticipated, on or before the Business Day preceding the earliest date for mailing of the notice required by Section 4.04 with regard to any Redemption Date relating to Section 4.01(A), the Issuer shall deposit or cause to be deposited with the Trustee an amount of money which, together with any amounts in the Bond Fund available for such purpose, is sufficient to pay the Redemption Price of all the Bonds then to be redeemed and interest, if any, accrued thereon to the Redemption Date. Such money and amounts shall be segregated and shall be held in trust, uninvested, for the benefit of the Holders entitled to such Redemption Price and shall not be deemed to be part of the Trust Estate.

Section 4.06 Bonds Payable on Redemption Date.

A. Notice of redemption having been given as aforesaid, the Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by the Issuer at the Redemption Price, but solely from the sources therein provided. Installments of interest with a Stated Maturity on or prior to the Redemption Date shall be payable to the Holders of the Bonds registered as such on the relevant Record Dates according to the terms of such Bonds and the provisions of Section 3.02.

B. If any Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in such Bond.

Section 4.07 Bonds Redeemed in Part. Except as otherwise provided under the Book-Entry-Only System, any Bond which is to be redeemed only in part shall be surrendered at the principal corporate trust office of the Trustee, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same Stated Maturity and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

ARTICLE V

FUNDS

Section 5.01 Bond Fund. There is hereby created by the Issuer and established with the Trustee, a special fund of the Issuer designated its “General Obligation Bonds, Series [20__] Bond Fund” (herein referred to as the “*Bond Fund*”). The money deposited to the Bond Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the Trustee and applied solely as provided in Sections 5.02 and 7.03.

Section 5.02 Deposits to and Application of Bond Fund.

A. Upon receipt, the Issuer shall immediately deposit with the Trustee and the Trustee shall deposit to the credit of the Bond Fund:

- (1) all amounts collected by or remitted to the Issuer as ad valorem taxes to the extent provided in Section 10.01(A), including collections of delinquent taxes;
- (2) the amount, if any, received from proceeds of the sale of the Bonds indicated in Section 5.05;
- (3) amounts received pursuant to subsection B hereof; and
- (4) such other funds as the Issuer shall, at its option deem advisable.

B. The Trustee shall deposit funds received from the Owner pursuant to the Standby Contribution Agreement as follows:

- (1) On or, if either day is not a Business Day, before April 1 of each year prior to the termination of the Standby Contribution Agreement, the Trustee shall deposit into the Bond Fund upon receipt all Annual Owner Payment amounts paid to it pursuant to Section 2.1(A) of the Standby Contribution Agreement.
- (2) On or, if either day is not a Business Day, before June 30 of each year prior to the termination of the Standby Contribution Agreement, the Trustee shall deposit into the Bond Fund upon receipt all June Owner Payment amounts paid to it pursuant to Section 2.1(A) of the Standby Contribution Agreement.
- (3) On or, if either day is not a Business Day, before December 31 of each year prior to the termination of the Standby Contribution Agreement, the Trustee shall deposit into the Bond Fund upon receipt all December Owner Payment amounts paid to it pursuant to Section 2.1(A) of the Standby Contribution Agreement.

C. The Bond Fund shall be applied solely to pay Debt Service on the Bonds on the dates due in the amounts and order provided in Section 7.03(B).

Section 5.03 Acquisition and Construction Fund. There is hereby created by the Issuer and established with the Trustee the special fund of the Issuer held separate and apart from the Trust Estate designated its “Series 20__ Acquisition and Construction Fund” (herein referred to as the “*Acquisition*

and Construction Fund”). The money deposited to the Acquisition and Construction Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the Trustee and applied solely as provided in Section 5.04.

Section 5.04 Deposits to and Application of Acquisition and Construction Fund. The Issuer shall deposit to the credit of the Acquisition and Construction Fund the balance of the proceeds of the Bonds remaining after the deposits to the accounts of the Bond Fund as provided in Section 5.05(A). Upon an Issuer Request, amounts on deposit in the Acquisition and Construction Fund shall be applied by the Trustee in the amounts and to the persons set forth in such Issuer Request to pay any unpaid Costs of Issuance and the Costs of Acquisition and Construction and, to the extent the funds deposited to the Acquisition and Construction Fund and investment income attributable thereto are in excess of the amounts required for any such purpose, then at the discretion of the Issuer as provided by an Issuer Request, the Trustee shall transfer such unexpended proceeds or income to the Bond Fund. On [____], 20[___], any amounts remaining in the Acquisition and Construction Fund shall be transferred the Bond Fund.

Section 5.05 Disposition of Proceeds of Bonds. Simultaneously with delivery of the Bonds to the initial purchaser thereof, the Issuer shall cause the initial purchaser of the Bonds, or cause the Trustee, to deposit the proceeds of the Bonds as follows:

A. *Bond Fund.* An amount equal to the interest accruing on the Bonds from the date of the Bonds to the Closing Date shall be deposited in the Bond Fund to pay interest on the Bonds.

B. *Acquisition and Construction Fund.* The balance remaining from the proceeds of each of the Bonds after the deposit described in subsection A of this Section shall be deposited to the credit of the Acquisition and Construction Fund for the purposes described in Section 5.04.

Section 5.06 Investment of and Security for Funds.

A. Money held by the Trustee for the credit of the Bond Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee in Governmental Obligations as directed in writing by the Issuer.

B. Money held for the credit of the Acquisition and Construction Fund shall, as nearly as may be practical, be continuously invested and reinvested by the Trustee in Permitted Investments as directed by the Issuer.

C. The Trustee shall sell or present for redemption any obligations so purchased as an investment hereunder whenever it shall be necessary so to do in order to provide money to make any payment or transfer of money required hereby. Investments shall mature, or shall be subject to redemption by the holder thereof at the option of such holder without penalty, not later than the respective dates when such money is expected to be required for the purpose intended. Obligations so purchased as an investment of any money credited to any fund established hereunder shall be deemed at all times to be a part of such fund. The interest accruing on obligations so purchased and any profit realized from such investment shall be credited to such fund and any loss resulting from such investment shall be charged to such fund.

D. All money held by the Trustee hereunder shall be continuously secured in the manner and to the fullest extent then required by laws and regulations applicable to national banking

associations regarding the security for, or granting a preference in the case of, the deposit of trust funds. The Trustee may make any investment permitted by this Indenture through or with its own commercial banking or investment departments. The Trustee shall not be liable for any loss resulting from any such investment excepting only such losses as may have resulted from its own negligence or willful misconduct.

E. Absent written direction of the Issuer, the Trustee shall hold such moneys held under this Indenture uninvested in cash, without liability for interest. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments, including at the time of reinvestment of earnings thereof.

F. The Trustee may conclusively rely upon written direction from the Issuer as to both the suitability and legality of the directed investments and the Trustee shall have no obligation to confirm that any such directed investment constitutes a Permitted Investment. The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the Issuer specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

G. The Trustee may elect, but shall not be obligated, to credit the funds and accounts held by it with moneys representing income or principal payments due on, or sales proceeds due in respect of, Permitted Investments in such funds and accounts, or to credit to Permitted Investments intended to be purchased with such moneys, in each case before actually receiving the requisite moneys from the payment source, or to otherwise advance funds for account transactions. The Issuer acknowledges that the legal obligation to pay the purchase price of any Permitted Investments arises immediately at the time of the purchase. Notwithstanding anything else in this Indenture, any such crediting of funds or assets shall be provisional in nature, and the Trustee shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto.

H. All investments in the funds established under the Indenture shall be valued at fair market value by the Trustee. Market values may be determined by the Trustee in accordance with the price provided by pricing services and sources relied upon by the Trustee and the Trustee does not have any duty to independently value any investment.

Section 5.07 Reports by Trustee. As soon as possible after January 15 and July 15 of each year, the Trustee shall provide to the Issuer, the Underwriter and, while the Standby Contribution Agreement is in effect, the Owner and counsel to the Issuer (as identified by a certificate of the Issuer) the balances as of such date in each fund established hereunder.

Section 5.08 Repayment to the Issuer. Any amounts remaining in the funds or accounts established hereby after payment in full of the Bonds (or provision for such payment), the fees and expenses of the Trustee, the annual fees and all other amounts required to be paid hereunder (including payments into the Rebate Fund and to the United States of America) shall be paid to the Issuer, or, where required under the terms of the Standby Contribution Agreement, to Owner.

ARTICLE VI

DEFEASANCE AND RELEASES

Section 6.01. Payment of Indebtedness; Satisfaction and Discharge of Indenture. Whenever

A. all Bonds theretofore authenticated and delivered have been canceled by the Trustee or delivered to the Trustee for cancellation, excluding, however:

(1) Bonds for the payment of which money has theretofore been deposited in trust with the Trustee or a Paying Agent as provided in Section 4.05;

(2) Bonds alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in Section 3.05, except for any such Bond which, prior to the satisfaction and discharge of this Indenture, has been presented to the Trustee with a claim of ownership and enforceability by the Holder thereof and where enforceability has not been determined adversely against such Holder by a court of competent jurisdiction;

(3) Bonds, other than those referred to in the foregoing Clauses, for the payment or redemption (under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name and at the expense of the Issuer) of which the Issuer has deposited or caused to be deposited with the Trustee or a Paying Agent in trust for such purpose an amount (to be immediately available for payment, except in the case of Bonds excepted from the foregoing Clause (B) prior to the time the ownership and enforceability of such Bonds has been established) sufficient to pay and discharge the entire indebtedness on the Bonds for principal (and premium, if any) and interest to the date of Maturity thereof which may have become due and payable or to the Stated Maturity or Redemption Date, as the case may be; and

(4) Bonds deemed no longer Outstanding as a result of the deposit or escrow of money or Governmental Obligations or both as described in Section 6.02.

B. the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer, then, upon an Issuer Request, this Indenture and the lien, rights, and interests created hereby shall cease, determine, and become null and void (except as to any surviving rights of transfer or exchange of Bonds herein or therein provided for), and the Trustee and each co-trustee and separate trustee, if any, then acting as such hereunder shall, at the expense of the Issuer, execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer, and deliver to the Issuer or upon Issuer Request all cash, securities, and other personal property then held by it hereunder as a part of the Trust Estate.

C. In the absence of an Issuer Request as aforesaid, the payment of all Outstanding Secured Bonds shall not render this Indenture inoperative.

D. Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Trustee under Section 8.06 shall survive.

Section 6.02 Defeasance.

A. Any Bond shall be deemed to be no longer Outstanding when payment of the principal of such Bond, plus interest thereon to the Maturity thereof (whether such Maturity be by reason of the Stated Maturity thereof or call for redemption, if notice of such call has been given or waived or irrevocable arrangements therefor satisfactory to the Trustee have been made) shall have been provided for by depositing for such payment from funds of the Issuer under the terms provided in this Section (1) money sufficient to make such payment or (2) money and Governmental Obligations certified by an independent accountant of national reputation selected by the Issuer to mature as to principal and interest in such amounts and at such times as shall, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom be sufficient to make such payment, provided that all necessary and proper fees, compensation, and expenses of the Trustee and Paying Agents pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Any such deposit shall be made either with the Trustee or, if notice of such deposit is given to the Trustee, with a state or nationally chartered bank with a minimum combined capital and surplus of \$50,000,000, as escrow agent, with irrevocable instructions to transfer the amounts so deposited and investment income therefrom to the Trustee or the Paying Agents in the amounts and at the times required to pay principal of and interest on the Bonds with respect to which such deposit is made at the Maturity thereof and of such interest or the Stated Maturity, as the case may be. In the event such deposit is made with respect to some but not all of the Bonds then Outstanding, the Outstanding Bonds shall be selected in the same manner as provided in Section 4.03 for the selection of Bonds to be redeemed.

B. Notwithstanding anything herein to the contrary however, no such deposit shall have the effect hereinabove described (1) if made during the existence of default hereunder of which the Trustee has received written notice unless made with respect to all of the Bonds then Outstanding and (2) unless there shall be delivered to the Trustee an Opinion of Counsel to the effect that such deposit shall not adversely affect any exemption from federal income taxation of interest on any Bond. Any money and Governmental Obligations deposited with the Trustee for such purpose shall be held by the Trustee in a segregated account in trust for the Holders of the Bonds with respect to which such deposit is made and together with any investment income therefrom, shall be disbursed solely to pay the principal of and interest on the Bonds when due. No money or Governmental Obligations so deposited pursuant to this Section shall be invested or reinvested unless in Governmental Obligations and unless such money not invested, such Governmental Obligations not reinvested, and such new investments are together certified by an independent accountant of national reputation selected by the Issuer to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for purposes of any such payment from such money or Governmental Obligations.

Section 6.03 Application of Deposited Money. Money or Governmental Obligations deposited with the Trustee pursuant to Section 6.02 shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Such money or Governmental Obligations shall be applied by the Trustee to the payment (either directly or through any Paying Agent as the Trustee may determine) to the Holders entitled thereto of the principal (and premium, if any) and interest for the payment of which such money has been deposited with the Trustee.

Section 6.04 Release of Standby Contribution Agreement. The Standby Contribution Agreement shall be released by the Issuer upon receipt of proof of satisfaction of each of the following conditions:

A. Payment or the provision for payment in full of all outstanding Bonds; or

B. Evidence satisfactory to the Issuer Representative that, for any consecutive two Fiscal Years (the first of which shall be no sooner than the first Fiscal Year in which principal of the Bonds has started to be amortized), a tax rate of \$1.00 per \$100 of net assessed limited property value of property within the boundaries of the Issuer would have been sufficient to pay Maximum Annual Debt Service on the Bonds and all Outstanding Parity Bonds for any subsequent Fiscal Year during which any Bonds are Outstanding plus the historical annual average of amounts necessary to pay those District Administrative Expenses relating to the Bonds and all Outstanding Parity Bonds for each such Fiscal Year, as such term is defined in Article 7 of the Development Agreement. For property within the boundaries of the Issuer to be eligible for inclusion in such determination, the property either (1) must be owned by persons or entities other than the Owner or any entity owned or controlled (as such term is used in the federal Securities Act of 1933, as amended) by the Owner for each such Fiscal Year or (2) if used for commercial purposes, must have been fully vertically improved for a period of not less than two years and such vertical improvements must be functionally operational for their intended purposes, e.g., leased or available for lease to persons or entities other than the Owner or any person or entity owned or controlled by the Owner or constituting one or more operating businesses of the Owner or any person or entity owned or controlled by the Owner (e.g., a golf course and associated facilities), as reasonably determined by the Issuer Representative. The requisite evidence shall consist of written evidence, prepared by the Issuer Representative upon a written request of the Owner, that is based upon the application of such secondary tax rate in light of:

(1) the actual net assessed limited property value of the eligible property within the boundaries of the Issuer for each such Fiscal Year; and

(2) the tax delinquency factor equal to the greater of 5% or the historic, average annual percentage delinquency factor for the Issuer as of each such Fiscal Year.

C. Written approval by the Issuer, which shall not be withheld unreasonably.

Upon release by the Issuer of the Standby Contribution Agreement, the Issuer shall so direct the Trustee to release the Standby Contribution Agreement. Upon receipt of such direction from the Issuer, the Trustee shall release the Standby Contribution Agreement whereupon the Owner shall have no further obligations thereunder. The Trustee shall be fully protected in relying on the Issuer's written direction in releasing the Standby Contribution Agreement.

ARTICLE VII

DEFAULTS; REMEDIES

Section 7.01 Events of Default. Each of the following is hereby defined as and shall be deemed an "*Event of Default*":

A. Default in the payment of the principal of any Bonds when the same shall become due and payable, whether at the Stated Maturity thereof, on a sinking fund payment date or upon proceedings for redemption;

B. Default in the payment of any installment of interest on any Bonds when the same shall become due and payable; or

C. Default shall be made in the observance or performance of any covenant, agreement, contract or other provision in the Bonds or this Indenture contained (other than as referred to in subsection A or B of this Section) and such default shall continue for a period of 30 days after written notice to the Issuer and the Trustee from the Holders of at least 25% in aggregate principal amount of the Bonds then Outstanding or to the Issuer from the Trustee specifying such default and requiring the same to be remedied, provided, with respect to any such failure covered by this subsection C, no Event of Default shall be deemed to have occurred so long as a course of action adequate to remedy such failure has been commenced within such 30-day period and shall thereafter be diligently prosecuted to completion and the default shall be cured thereby; provided that the Trustee is provided with a certification from the Issuer to the effect that the Issuer has or will commence a course of action adequate to remedy such failure within such 30-day period and such course of action shall thereafter be diligently prosecuted to completion and the default shall be cured thereby.

Section 7.02 Suits for Enforcement; Mandamus.

A. The Trustee in its discretion, subject to the provisions of Section 7.10, may proceed to protect and enforce its rights and the rights of the Bondholders under this Indenture by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture or in the Standby Contribution Agreement or in aid of the execution of any power granted in this Indenture or in the Standby Contribution Agreement or for the enforcement of any other legal, equitable, or other remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or the Bondholders.

B. In addition to all rights and remedies of any Bondholders provided herein, in the event the Issuer defaults in the payment of the principal of or premium, if any, or interest on any of the Bonds when due, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Resolution, this Indenture, or in the Standby Contribution Agreement, the Trustee shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the directors and other officers of the Issuer to make such payment or to observe and perform any covenant, obligation, or condition prescribed in the Bond Resolution, the Standby Contribution Agreement or this Indenture. Notwithstanding any other provision of this Indenture, the Issuer shall cure any covenant default within 30 days of receiving notice from the Trustee of the event of default or, in the case of any monetary default that cannot be cured within 30 days, shall take such action to cure the default in the immediately succeeding Fiscal Year.

C. Notwithstanding the foregoing, no judgment or remedy obtained against the Issuer shall result in an acceleration of any amount owing on the Bonds prior to the actual due date.

D. Upon any default under the Standby Contribution Agreement, the Trustee shall enforce the remedies contained therein and/or seek payment of a judgment which is in the amount of all outstanding principal of the Bonds and interest on such principal amount to the date of redemption established pursuant to Section 4.01.

Section 7.03 Covenant to Pay Trustee Amounts Due on Bonds and Right of Trustee to Judgment.

A. If: (1) default occurs in the payment of any interest on any Bond when such interest becomes due and payable, or (2) default occurs in the payment of the principal of (or premium, if any), on any Bond at its Maturity, then upon demand of the Trustee, the Issuer shall pay or cause to be paid to the Trustee for the benefit of the Holders of such Bonds the amount so due and payable on the Bonds for principal (and premium, if any) and interest and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of administration and collection, including the reasonable compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel. If the Issuer fails to pay or cause to be paid such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to sue for and recover judgment against the Issuer for the amount then so due and unpaid.

B. The Trustee shall be entitled to sue and recover judgment as aforesaid either before, after, or during the pendency of any proceedings for the enforcement of the lien of this Indenture, and in case of a sale of the Trust Estate and the application of the proceeds of sale as aforesaid, the Trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon the Outstanding Secured Bonds, for the benefit of the Holders thereof, and shall be entitled to recover judgment for any portion of the same remaining unpaid, with interest as aforesaid. No recovery of any such judgment upon any property of the Issuer shall affect or impair the lien of this Indenture upon the Trust Estate or any rights, powers, or remedies of the Trustee hereunder, or any rights, powers, or remedies of the Holders of the Bonds. Nothing contained in this Section 7.03 or in this Indenture shall be construed as authorizing or permitting the Trustee or any other person suing to enforce the terms hereof to accelerate the collection of any Debt Service payments on the Bonds prior to the actual due date of such Debt Service payments.

Section 7.04 Application of Money Collected. Any money collected by the Trustee pursuant to this Article together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

A. *First:* To the payment of all unpaid amounts due the Trustee under Section 8.06;

B. *Second:* To the payment of the whole amount then due and unpaid upon the Outstanding Secured Bonds, for principal of and premium, if any, and interest on the Bonds and with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal (and premium, if any), and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal and interest without any preference or priority, ratably according to the aggregate amount so due; and

C. *Third:* To the payment of the remainder, if any, to the Issuer, or to whomever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Section 7.05 Trustee May File Proofs of Claim.

A. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to the Issuer or the Owner or the property of the Issuer, the Owner, or the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand on the Issuer or the Owner for the payment of overdue principal, premium, or interest or the amounts due under the Standby Contribution Agreement) shall be entitled and empowered, by intervention in such proceeding or otherwise;

(1) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Outstanding Secured Bonds or the whole amount owing pursuant to the Standby Purchase Agreement and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel) and of the Bondholders allowed in such judicial proceeding, and

(2) to collect and receive any money or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator, or other similar official in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements, and advances to the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 8.06.

B. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding.

Section 7.06 Trustee May Enforce Claims Without Possession of Bonds. All rights of action and claims under this Indenture or the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Bonds in respect of which such judgment has been recovered.

Section 7.07 Unconditional Right of Bondholders to Receive Principal, Premium and Interest. Notwithstanding any other provision herein, the Holder of any Bond shall have the right which is absolute and unconditional to receive, after payment of all amounts due to the Trustee hereunder, payment of the principal of and interest on any such Bond on the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on the Redemption Date), and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder; provided, however, that no Bondholder shall be entitled to take any action or institute any such suit to enforce the payment of his Bonds, whether for principal, interest or premium, if and to the extent that the taking of such action or the institution or prosecution of any such suit or the entry of judgment therein would under applicable law result in either an acceleration of principal payments on any of the

Bonds or a surrender, impairment, waiver, or loss of the lien hereof upon the Trust Estate, or any part thereof, as security for Bonds held by any other Bondholder.

Section 7.08 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as otherwise provided herein with regard to the rights or remedies of Bondholders, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy under this Indenture or the Standby Contribution Agreement.

Section 7.09 Delay or Omission Not Waiver. No delay or omission of the Trustee or any Holder of any Bond to exercise any right or remedy accruing upon a default under this Article shall impair any such right or remedy or constitute a waiver of any such default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondholders, as the case may be.

Section 7.10 Control by Bondholders.

A. The Holders of a majority in aggregate principal amount of any Outstanding Bonds affected thereby shall have the right (subject to providing indemnity to the Trustee and the terms and provisions of Section 7.14):

(1) to require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of this Indenture, the sale of the Trust Estate, or otherwise;

(2) to require the Trustee to proceed to enforce the Standby Contribution Agreement; and

(3) to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder or under the Standby Contribution Agreement, provided that:

(i) such direction shall not be in conflict with any rule of law or this Indenture or the Standby Contribution Agreement;

(ii) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction;

(iii) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction; and

(iv) if the remedy requires the consent of a certain number of the Holders, such consent has been provided.

B. Before taking action pursuant to this Section, the Trustee may require that a satisfactory indemnity bond or other satisfactory indemnity be furnished to it for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct. The Trustee may take action without that indemnity, and in that case, the Issuer shall reimburse the Trustee for all of the expenses of the Trustee pursuant to Section 8.06.

Section 7.11 Rights and Remedies of Bondholders. No Holder of any Bond has any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred nor unless such default has become an Event of Default and the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding has made written request to the Trustee and offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless the Trustee shall thereafter fail or refuse to exercise within a reasonable period of time (not to exceed 30 days) the powers herein granted, or to institute such action, suit or proceeding in its own name; it being understood and intended that no one or more Holders of the Bonds has the right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his, her or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Holders of the Bonds then outstanding. Nothing contained in this Indenture shall, however, affect or impair the right of any Holder of a Bond to enforce payment, by the institution of any suit, action or proceeding in equity or at law, of the principal of, premium, if any or interest on any such Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds to the respective Holders of the Bonds at the time and place, from the source and in the manner herein and in the Bonds expressed. For purposes of this Section, so long as the Bonds are held by the Securities Depository pursuant to the Book-Entry-Only System hereof, the Trustee shall be permitted to accept direction from the Beneficial Owners of the Bonds, rather than the Bondholder, upon receipt by the Trustee of appropriate certification of such Beneficial Ownership.

Section 7.12 Waiver of Past Defaults.

A. Before any judgment or decree for payment of money due has been obtained by the Trustee as provided in this Article, the Holders of not less than a majority in aggregate principal amount of Outstanding Bonds affected thereby may, by Act of such Bondholders delivered to the Trustee and the Issuer, on behalf of the Holders of all the Bonds waive any past default hereunder or under the Standby Contribution Agreement and its consequences, except a default in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Bond affected.

B. Upon any such waiver, such default shall cease to exist for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 7.13 Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable

costs against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by or against the Trustee, to any suit instituted by any Bondholder, or group of Bondholders of any series of the Bonds affected thereby, holding in the aggregate more than 10% in principal amount of the Outstanding Bonds, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond on or after the Stated Maturity expressed in such Bond (or, in the case of redemption, on or after the Redemption Date).

Section 7.14 Remedies Subject to Applicable Law. All rights, remedies, and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable, or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

ARTICLE VIII

THE TRUSTEE

Section 8.01 Certain Duties and Responsibilities.

A. The Trustee undertakes to perform such duties and only such duties as are specifically set forth herein and no implied covenants or obligations shall be read into this Indenture against the Trustee. If any event of default under this Indenture shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such person's own affairs. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture or the Standby Contribution Agreement; but in the case of any such certificates or opinions which by any provision hereof or thereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Indenture or the Standby Contribution Agreement, as applicable.

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

(1) this Subsection shall not be construed to limit the effect of Subsection A of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds or to the time, method, and place of conducting any

proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless it is provided indemnity in connection therewith as provided in Section 7.10(B).

C. Whether or not therein expressly so provided, every provision hereof relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 8.02 Certain Rights of Trustee. Except as otherwise provided in Section 8.01:

A. The Trustee may rely and shall be protected in acting or refraining from acting upon:

(1) any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, telex or other paper, document, or communication reasonably believed by it to be genuine and to have been signed or presented by the proper Persons; and

(2) failure of the Trustee to receive any such paper, document, or communication, if prior receipt thereof is required by this Indenture or the Standby Contribution Agreement before the Trustee is to take or refrain from taking any action.

B. Any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by an Issuer Request, and any order or resolution of the Board may be sufficiently evidenced by a Board Resolution.

C. Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an certificate of an officer of the Issuer or, for purposes of Section 10.06(B), an appropriate certificate of the Rebate Consultant.

D. The Trustee may consult with legal counsel and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Trustee hereunder in good faith and in reliance thereon.

E. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders pursuant to this Indenture, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities which might be incurred by it in compliance with such request or direction.

F. The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, or other paper or document (including particularly, but not by way of limitation)

Acts, Board Resolutions, Issuer Requests and certificates of officers of the Issuer, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Issuer, personally or by agent or attorney.

G. The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or thorough agents or attorneys, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed, with due care by it hereunder.

H. The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder or under the Standby Contribution Agreement, except an Event of Default under Section 7.01(A) or (B) hereunder or a failure by the Owner to cause to be made any of the payments to the Trustee required by Section 2.1 of the Standby Contribution Agreement, unless the Trustee shall be notified of such default in writing by the Issuer or by the holders of a majority in aggregate principal amount of the Bonds then outstanding and all notices required to be delivered to the Trustee must, in order to be effective, be delivered to the Trustee in accordance with Section 1.03 hereof and, in the absence of such notices so delivered, the Trustee may conclusively assume there is no default except as aforesaid. The Trustee shall have no duty or obligation to monitor compliance with the Development Agreement.

I. The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture and the Standby Contribution Agreement sent by Electronic Means (as hereinafter defined); provided, however, that the Issuer and the Owner shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions (for purposes of this paragraph, "Authorized Officers"), which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. As used in this paragraph, "Electronic Means" means a portable document format ("pdf") or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee), or another method or system specified by the Trustee as available for use in connection with its services. If the Issuer or the Owner elects to give the Trustee instructions by Electronic Means and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Issuer and the Owner (by its execution of the Standby Contribution Agreement) each agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that instructions that purport to have been sent by an Authorized Officer listed on their respective incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer and the Owner shall be responsible for ensuring that only their respective Authorized Officers transmit such instructions to the Trustee, and the Issuer, the Owner and their Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction delivered by other means. The Issuer and the Owner (by its execution of the Standby Contribution Agreement) agrees (i) to assume all risks arising out of their use of such Electronic Means to submit instructions and direction to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than their use of

Electronic Means; (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 8.03 Not Responsible for Recitals or Application of Proceeds. The recitals contained herein and in the Bonds, except the certificate of authentication on the Bonds, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Issuer thereto or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Issuer of the Bonds or the proceeds thereof.

Section 8.04 May Hold Bonds. The Trustee, any Paying Agent, the Bond Registrar, and any other agent appointed hereunder, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee, Paying Agent, Bond Registrar or such other agent.

Section 8.05 Money Held in Trust. Money held by the Trustee hereunder need not be segregated from other funds except to the extent required by law or the provisions of this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

Section 8.06 Compensation and Reimbursement.

A. The Issuer shall:

(1) pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust); and

(2) except as otherwise expressly provided herein, reimburse the Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Trustee in accordance with any provisions under this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the Trustee's negligence or bad faith.

B. As security for the performance of the obligations of the Issuer under this Section, the Trustee shall be secured under this Indenture by a lien and for the payment of such compensation, expenses, reimbursements, and indemnity and the Trustee shall have the right to use and apply any trust funds held by it hereunder after payment of other amounts due hereunder as provided by the terms hereof.

Section 8.07 Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a bank or trust company organized and doing business under the laws of the United States or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by federal or state authority, and having an office in the State of Arizona. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining

authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 8.08 Resignation and Removal; Appointment of Successor.

A. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 8.09.

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

C. The Trustee (or Paying Agent) may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Bonds, delivered to the Trustee and the Issuer.

D. The Trustee may be removed at any time by the Issuer by Board Resolution delivered to the Trustee and Paying Agent.

E. If the Trustee shall resign, be removed, or become incapable of acting, the Issuer, by Board Resolution, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Trustee shall be so appointed by the Bondholders. If, within one year after such resignation, removal, or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Bonds and delivered to the Issuer and the retiring Trustee, then the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer or by such receiver or trustee. If no successor Trustee shall have been so appointed by the Issuer or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

F. The Issuer shall give notice of each resignation and each removal of the Trustee (or Paying Agent) and each appointment of a successor Trustee (or Paying Agent) to the Holders of the Bonds. Each notice shall include the name of the successor Trustee (or Paying Agent) and the address of its principal corporate trust office.

Section 8.09 Acceptance of Appointment by Successor.

A. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to the Issuer and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed, or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring

to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers, and trusts of the retiring Trustee, and shall duly assign, transfer, and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.06. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers, and trusts.

B. No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

Section 8.10 Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder; provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion, or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Section 8.11 Paying Agents; Appointment and Acceptance of Duties; Removal.

A. The Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect of the Bonds.

B. The Issuer may appoint one or more additional Paying Agents for the Bonds. Any such Paying Agent shall be a commercial bank or trust company organized under the laws of the United States of America or one of the states thereof. Each Paying Agent (other than the Trustee) shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Issuer and the Trustee a written acceptance thereof. The Issuer may remove any Paying Agent (other than the Trustee) and any successors thereto, and appoint a successor or successors thereto; provided that any such Paying Agent designated by the Issuer shall continue to be a Paying Agent of the Issuer for the purpose of paying the principal of and interest on the Bonds until the designation of a successor as such Paying Agent. Each Paying Agent is hereby authorized to pay or redeem Bonds when (except as otherwise provided in the Book-Entry-Only System) duly presented to it for payment or redemption, which Bonds shall thereafter be delivered to the Trustee for cancellation.

ARTICLE IX

SUPPLEMENTAL INDENTURES; AMENDMENTS TO BOND RESOLUTION OR STANDBY CONTRIBUTION AGREEMENT

Section 9.01 Supplemental Indentures or Amendments to Bond Resolution or Standby Contribution Agreement Without Consent of Bondholders. Without the consent of the Holders of any Bonds, the Issuer, when authorized by Board Resolution, and the Trustee may from time to time enter into one or more indentures supplemental hereto in form satisfactory to the Trustee, or the Issuer may amend the Bond Resolution or the Standby Contribution Agreement for any of the following purposes:

A. to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey, and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property;

B. to add to the conditions, limitations, and restrictions on the authorized amount, terms, or purposes of issue, authentication, and delivery of Bonds, as herein set forth, and additional conditions, limitations, and restrictions thereafter to be observed;

C. to evidence the succession of another entity to the Issuer and the assumption by any such successor of the covenants of the Issuer herein, in the Bond Resolution, the Standby Contribution Agreement or the Bonds contained;

D. to add to the covenants of the Issuer or the Owner for the benefit of the Holders of all of the Bonds; or

E. to cure any ambiguity, to correct or supplement any provisions herein or in the Bond Resolution or Standby Contribution Agreement which may be inconsistent with any other provision herein or in the Bond Resolution or the Standby Contribution Agreement, or to make any other provisions, with respect to matters or questions arising under this Indenture or the Bond Resolution or Standby Contribution Agreement, which shall not be inconsistent with the provisions of this Indenture, the Bond Resolution or the Standby Contribution Agreement; provided such action shall not adversely affect the interests of the Holders of the Bonds.

Section 9.02 Supplemental Indentures or Amendments to the Bond Resolution or the Standby Contribution Agreement With Consent of Bondholders.

A. With the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds affected by such supplemental indenture or such amendment, by Act or such Holders delivered to the Issuer and the Trustee, the Issuer, when authorized by Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto or amendments to the Bond Resolution or the Standby Contribution Agreement, for the purpose of adding any provision to or changing in any manner or eliminating any of the provisions hereof, the Bond Resolution or Standby Contribution Agreement or of modifying in any manner the rights of the Holders of the Bonds under this Indenture, the Bond Resolution or the Standby Contribution Agreement; provided, however, that no such supplemental indenture or amendments to the Bond Resolution or the Standby Contribution Agreement shall, without the consent of the Holder of each Outstanding Bond affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount of, or the interest on, any Bond, or change the Place of Payment where, or the coin or currency in which, any Bond or the interest on any Bond is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date);

(2) reduce the percentage in principal amount of the Outstanding Bonds the consent of the Holders of which is required for any such supplemental indenture or amendment to any Bond Resolution or the Standby Contribution Agreement, or the consent of Holders of which is required for any waiver provided for in this Indenture of compliance with certain provisions hereof or certain defaults hereunder and their consequences;

(3) modify or alter the provisions of the proviso to the definition of the term “Outstanding”; or

(4) modify any of the provisions of this Section, except to increase any percentage provided thereby or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby.

B. The Trustee may in its discretion determine whether or not any Bonds would be affected by any supplemental indenture or amendment to the Bond Resolution or the Standby Contribution Agreement and any such determination shall be conclusive upon every Holder of Bonds, whether theretofore or thereafter authenticity dated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

C. It shall not be necessary for any Act of Bondholders under this Section to approve the particular form of any proposed supplemental indenture or any such amendment to a Bond Resolution or the Standby Contribution Agreement, but it shall be sufficient if such Act shall approve the substance thereof.

Section 9.03 Execution of Supplemental Indentures and Amendments to Bond Resolution or Standby Contribution Agreement. In executing, or accepting the additional trusts created by, any supplemental indenture or amendment to the Bond Resolution or the Standby Contribution Agreement permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be provided with and, subject to Section 8.01, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture or adoption of such amendment is authorized or permitted hereby. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture or be governed by any amended Bond Resolution or Standby Contribution Agreement which affects the Trustee’s own rights, duties, or immunities under this Indenture or otherwise.

Section 9.04 Effect of Supplemental Indentures and Amendments to Bond Resolution or the Standby Contribution Agreement. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith and such supplemental indenture shall form a part of this Indenture for all purposes, and upon the amendment of the Bond Resolution or the Standby Contribution Agreement under this Article, the Bond Resolution or the Standby Contribution Agreement shall be modified in accordance therewith, and such amendment shall form a part of the Bond Resolution or the Standby Contribution Agreement for all purposes, and every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 9.05 Reference in Bonds to Supplemental Indentures or Amendments to Bond Resolution or the Standby Contribution Agreement. Bonds authenticated and delivered after the execution of any supplemental indenture, amendment to the Bond Resolution or the Standby Contribution Agreement pursuant to this Article may bear a notation as to any matter provided for in such supplemental indenture, amended Bond Resolution or Standby Contribution Agreement. If the Issuer shall so determine, new Bonds so modified as to conform to any such supplemental indenture, amended Bond Resolution or the Standby Contribution Agreement may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

ARTICLE X

COVENANTS

Section 10.01 Pledge and Levy of Taxes.

A. For each year while any Bond is Outstanding, the Board shall annually levy and cause an ad valorem tax, unlimited as to rate or amount, to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property of the Issuer, to pay, when due, Debt Service on the Bonds and Parity Debt Service. For each year while any Bond is Outstanding and the Standby Contribution Agreement is in effect and no event of default exists pursuant to the terms of the Standby Contribution Agreement, the Board shall levy a tax rate of \$1.00 per \$100 of net assessed limited property value to pay such Debt Service and Parity Debt Service; provided, however, that the tax rate in any year may be less than \$1.00 if such lower tax rate shall produce based on the then-current net assessed limited property value of the property within the boundaries of the Issuer secondary ad valorem tax revenues sufficient to pay in full the aggregate of the Debt Service on the Bonds and any Parity Debt Service.

B. The Issuer and the Trustee acknowledge that the Bonds and the Parity Bonds, including any other general obligation bonds of the Issuer hereafter issued will be secured on a parity basis in the collection and application of property tax revenues of the Issuer and that such property taxes will be allocated to each series of general obligation bonds in accordance with such series' Debt Service or Parity Debt Service then due and in either case, taking into account other funds held by the Issuer for such payment. Property tax revenues allocated for any series of bonds shall be deposited into the applicable fund or account set aside for such series.

C. Moneys to be applied to pay Debt Service derived from the levy of the tax provided for in Section 10.01(A) when collected constitute funds to pay Debt Service and shall be kept separately from other funds of the Issuer.

D. The Board shall make annual statements and estimates of the amount to be raised to pay the Issuer's operation and maintenance expenses and Debt Service on the Bonds and Parity Debt Service. The Board shall file the annual statements and estimates with the Clerk of the Municipality and shall publish a notice of the filing of the estimate. The Board, on or before the date set by law for certifying the annual budget of the Municipality (which shall be the third Monday in August unless the Issuer certifies to the Trustee otherwise), shall fix, levy and assess the amounts to be raised by ad valorem taxes of the Issuer and shall cause certified copies of the order to be delivered to the Board of Supervisors of Maricopa County, Arizona, to the Department of Revenue of the State and to the Trustee. All statutes

relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

Section 10.02 Payment of Debt Service.

A. The Issuer shall duly and punctually pay Debt Service in accordance with the terms hereof.

B. If the specified date for any such payment, or any payment required by Section 6.01, shall be other than a Business Day, then such payment may be made on the next succeeding day that is not one of the foregoing days without additional interest (except in the event of a moratorium) and with the same force and effect as if made on the specified date for such payment.

Section 10.03 Maintenance of Agency. The Issuer shall maintain an agency in the Place of Payment where Bonds may be presented or surrendered for payment, where Bonds entitled to be registered, transferred, exchanged, or converted may be presented or surrendered for registration, transfer, exchange, or conversion, and where notices and demands to or upon the Issuer in respect of the Bonds and this Indenture may be served. The Trustee is hereby appointed as Paying Agent for such purposes. The Issuer may designate separate and additional paying agents to undertake any portion of the duties and obligations of the Paying Agent hereunder, subject to the conditions set forth in Section 8.11. The Issuer shall give prompt written notice to the Trustee of the location, and of any change in the location, of any such agency. If at any time the Issuer shall fail to maintain such an agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices, and demands may be made or served at the principal corporate trust office of the Trustee, and the Issuer hereby appoints the Trustee its agent to receive all such presentations, surrenders, notices, and demands.

Section 10.04 Money for Bond Payments to be Held in Trust; Repayment of Unclaimed Money.

A. The sums that are segregated by the Trustee or deposited with any other Paying Agent to pay the principal of or interest on any Bonds becoming due on any due date shall be held in trust for the benefit of the Holders of such Bonds. Money so segregated or deposited and held in trust shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Holders entitled to such principal or interest, as the case may be. Money held by the Trustee or any other paying Agent for the payment of the principal of (and premium, if any) or interest on the Bonds need not be segregated from other funds, except to the extent required by law.

B. The Issuer shall cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

(1) hold all sums held by it for the payment of principal of (and premium, if any) or interest on the Bonds for the benefit of the Holders of such Bonds until such sums shall be paid to the Holders or otherwise disposed of as herein provided; and

(2) at any time, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

C. The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Request, direct any Paying Agent to pay to the Trustee all money held by such Paying Agent, such money to be held by the Trustee upon the same trusts as those upon which such money was held by such Paying Agent, and upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

D. In the event any check for payment of interest on a Bond is returned to any Paying Agent unendorsed or is not presented for payment within two years from its payment date or any Bond is not presented for payment of principal at Maturity or Redemption Date, if funds sufficient to pay such interest or principal due upon such Bond shall have been made available to such Paying Agent for the benefit of the Holder thereof, it shall be the duty of such Paying Agent to hold such funds or invest the same in Government Obligations, without liability for interest thereon, for the benefit of the Holder of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or amounts due thereunder. Such obligation of the Paying Agent to hold such funds shall continue for two years and six months following the date on which such interest or principal payment became due, whether at Maturity or Stated Maturity, or at the Redemption Date, otherwise, at which time such Paying Agent shall surrender such unclaimed funds so held to the Issuer, whereupon any claim of whatever nature by the Holder of such Bond arising under such Bond shall be made upon the Issuer.

Section 10.05 Further Assurances; Recording.

A. The Issuer shall do, execute, acknowledge, and deliver all and every such further acts, conveyances, mortgages, financing statements, and assurances as shall be reasonably required for accomplishing the purposes of this Indenture.

B. The Issuer shall cause, when necessary, this instrument and all supplemental indentures and other instruments of further assurance, including all financing statements, to be promptly recorded, registered, and filed, and to be kept recorded, registered, and filed, and, when necessary, to re-record, re-register, and re-file the same, all in such manner and in such places as may be required by law, fully to preserve and protect the rights of the Bondholders and the Trustee hereunder to all property comprising the Trust Estate, and the Issuer shall execute any financing statement, continuation statement or other document required for such purposes.

Section 10.06 Compliance with Federal Law.

A. The Issuer recognizes that the beneficial owners of the Bonds will have accepted the beneficial ownership thereof, and paid therefor a price which reflects, the understanding that interest thereon is excludable from gross income of the Bondholders thereof for federal income tax purposes under laws in force at the time the Bonds shall have been delivered. In this connection the Issuer agrees that it shall take no action which may render the interest on any of the Bonds to be includable in gross income for federal income tax purposes. The Issuer agrees that, to the extent possible under state law, it will comply with whatever federal law is now in effect or which shall be adopted in the future which applies to the Bonds and affects the exempt status of the interest income on the Bonds.

B. The Issuer authorizes the creation by the Trustee of a fund that is hereinafter referred to as the "Rebate Fund." The Issuer will comply with the rebate requirements set forth in the Tax Certificate.

C. Any Issuer Representative is hereby authorized to execute on behalf of the Issuer the Tax Certificate and to make therein such elections as required by law to assure the purchasers and owners of the Bonds that the proceeds of the Bonds will not be used in a manner that would or might result in the Bonds being “arbitrage bonds” under Section 148 of the Code. The Tax Certificate shall constitute a certification and representation and no agreement of the Issuer and no investment shall be made of the proceeds of the Bonds herein authorized nor of the money in the account established hereunder in violation of the expectations and covenants prescribed by the Tax Certificate. The Tax Certificate shall constitute an agreement of the Issuer to follow certain covenants that may require the Issuer to take certain actions (including the payment of certain amounts to the United States Treasury) or that may prohibit certain actions (including the establishment of certain funds) under certain conditions as specified in the Tax Certificate.

D. The Issuer further recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order for interest thereon to be excludable from gross income for purpose of federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Issuer agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form if such action would cause interest on the Bonds to be included in gross income for federal income tax purposes.

E. This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 10.07 No Personal Liability of Officials of the Issuer. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any elected or appointed official, officer, director, agent, servant or employee of the Issuer, the Trustee or the Owner in his or her individual capacity and neither the members of the governing body of the Issuer nor any official executing the Bonds, including any officer or employee of the Trustee, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 10.08 Partial Invalidity. If any one or more of the conditions, covenants, or terms contained herein or required herein to be observed or performed by or on the part of the Issuer, the Paying Agent or the Trustee shall be contrary to law, then such condition or conditions, such covenant or covenants, or such term or terms shall be null and void and shall be deemed separable from the remaining conditions, covenants, and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Bondholders shall retain all the benefit, protection, and security afforded to them hereunder and under all provisions of applicable law. The parties hereto declare that they would have executed and delivered this Indenture and each and every other article, section, paragraph, subdivision, sentence, clause, and phrase hereof and would have authorized the issuance and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses, or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable, or invalid.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and to be effective as of the day and year first above written, which date shall be deemed the date hereof for all purposes.

**ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)**

By _____
Chairperson, Board of Directors

ATTEST:

District Clerk

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

By _____
Its _____

STANDBY CONTRIBUTION AGREEMENT

DATED AS OF [_____] 1, 20[___]

BY AND AMONG

**ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA),**

ESTRELLA NORTH LLC,

AND

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS TRUSTEE**

TABLE OF CONTENTS

Parties	1
Recitals	1
ARTICLE 1 REPRESENTATIONS AND WARRANTIES OF OWNER.....	2
Section 1.1. Representations and Warranties of Owner	2
ARTICLE 2 COVENANTS AND AGREEMENTS	3
Section 2.1. Payments and Information	3
Section 2.2. Nature of Obligations.....	4
Section 2.3. No Set Off	6
Section 2.4. Remedies.....	6
Section 2.5. Waiver of Notice; Payment of Expenses	6
Section 2.6. Incorporation by Reference.....	6
ARTICLE 3 AMENDMENTS	6
Section 3.1. Amendment.....	6
ARTICLE 4 THE TRUSTEE AND THE ISSUER.....	7
Section 4.1. Acceptance of Trusts.....	7
Section 4.2. Issuer Acceptance	7
ARTICLE 5 RELEASE OF STANDBY CONTRIBUTION AGREEMENT	7
Section 5.1. Release	7
ARTICLE 6 MISCELLANEOUS	7
Section 6.1. Obligations	7
Section 6.2. Entire Agreement	7
Section 6.3. Validity	7
Section 6.4. Execution as Consent	7
Section 6.5. Governing Law	8
Section 6.6. Benefit of Parties.....	8
Section 6.7. Cancellation	8
Section 6.8. E-Verify Requirements	8
Section 6.9. No Boycott of Israel.....	8
Section 6.10. Written Certification; Forced Labor of Ethnic Uyghurs Ban	9
Signatures	10

THIS STANDBY CONTRIBUTION AGREEMENT is entered into as of [_____] 1, 20[___], by and among **ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA)** (the “*Issuer*”), **ESTRELLA NORTH LLC**, a Delaware limited liability company (the “*Owner*”) and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the “*Trustee*”) under that certain Indenture of Trust and Security Agreement, dated as of [_____] 1, 20[___] (the “*Indenture*”).

All initially capitalized terms used herein which are not otherwise defined shall have the meaning set forth in the Indenture.

RECITALS

A. The Issuer is issuing its General Obligation Bonds, Series 20[___], in the aggregate principal amount of \$[_____] (the “*Bonds*”) concurrently herewith pursuant to the Indenture.

B. As provided in the Indenture and the Development, Financing Participation and Intergovernmental Agreement No. 1 by and among the Issuer, the City of Goodyear, Arizona (the “*City*”) and SunChase Estrella Limited Partnership and Residential Funding Corporation (as predecessor in interest to the Owner) (the “*Development Agreement*”), the proceeds derived from the issuance of bonds of the Issuer, including the Bonds, are to be used by the Issuer for the “public infrastructure” purposes as provided for in Title 48, Chapter 4, Article 6, Arizona Revised Statutes (“*A.R.S.*”), as amended (the “*Enabling Act*”).

C. As provided in the Development Agreement and in the Feasibility Report presented to and approved by the Board on [_____] 20[___] (the “*Feasibility Report*”), the Issuer shall provide for a mechanism by which the Owner shall contribute certain amounts for the benefit of the Issuer that shall be considered by the Issuer in levying taxes to pay Debt Service on the Bonds and satisfy the requirements of the Development Agreement.

D. The parties hereto desire to enter into this Standby Contribution Agreement to provide for a mechanism by which the Owner shall contribute certain amounts for the benefit of the Issuer which shall be considered by the Issuer in levying taxes to pay Debt Service on the Bonds and satisfy the requirements of the Development Agreement.

E. As provided in A.R.S. § 48-719(E), the Issuer may consider various sources of funds, including private contributions, in determining the Issuer’s tax levy.

In order to comply with the provisions of the Development Agreement in the issuance of the Bonds, the Owner does hereby covenant and agree with the Issuer and the Trustee as follows:

ARTICLE 1

REPRESENTATIONS AND WARRANTIES OF OWNER

Section 1.1. Representations and Warranties of Owner. The Owner represents, warrants and agrees as follows:

(A) The Owner (i) is a duly formed and validly existing limited liability company under the laws of the State of Delaware and authorized to do business in the State of Arizona; (ii) has no proceedings pending or contemplated with a view to liquidation or dissolution; and (iii) has the power and authority to execute and perform all the undertakings of this Standby Contribution Agreement.

(B) The execution, delivery and performance of the agreements, instruments and documents related to the Bonds to which the Owner is a party, including, but not limited to, this Standby Contribution Agreement, were duly authorized and approved by resolution of the sole member of the Owner (the “*Member Action*”). The Member Action has not been altered, amended, repealed, revoked or rescinded, and remains in full force and effect as of the date hereof.

(C) Reserved.

(D) The person executing this Standby Contribution Agreement on behalf of the Owner is duly qualified to execute this Standby Contribution Agreement.

(E) The Owner is not in default in the payment of principal of or interest on any indebtedness for borrowed money and is not in default under any instruments or agreements under or subject to which any indebtedness for borrowed money has been incurred and no event has occurred and is continuing under the provisions of any such instrument or agreement which, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(F) The consummation of the transactions contemplated hereby and compliance by the Owner with the provisions hereof will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, agreement or other instrument to which the Owner is a party or by which the Owner may be bound.

(G) The performance of this Standby Contribution Agreement by the Owner and fulfillment of its terms does not and will not conflict with or result in any breach, default or violation of any regulation, order or decree of any court or governmental department, commission, board, bureau or agency to which the Owner is a party or is subject.

(H) The Owner is not in violation of or in default with respect to any applicable law or any applicable rules, regulation or order of any court or any governmental department, commission, board, bureau, agency or instrumentality which would prevent or limit the Owner from entering into or carrying out its obligations hereunder.

(I) No litigation or administrative action or proceeding is pending or, to the knowledge of the undersigned, threatened, restraining or enjoining, or seeking to restrain or enjoin, the effectiveness of the Member Action or this Standby Contribution Agreement, or contesting or questioning the proceedings and authority under which this Standby Contribution Agreement has been authorized and is delivered and executed.

(J) There is no action, suit proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of its knowledge, overtly threatened against or affecting the Owner nor is there a basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Standby Contribution Agreement, or would materially adversely affect the net worth of the Owner.

(K) The 20[] ([] 1, 20[] to [] 1, 20[]) and 20[] ([] 1, 20[] to [] 1, 20[]) annual unaudited financial statements of the Owner and any subsidiaries and affiliates reported in the consolidated financial statements of the parent entity of the Owner contain no untrue statement of a material fact and do not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

ARTICLE 2

COVENANTS AND AGREEMENTS

Section 2.1. Payments and Information.

(A) In any tax year while this Standby Contribution Agreement is in effect and so long as the Issuer has adopted a resolution which fixes, levies and assesses a tax rate for such tax year of \$1.00 per \$100 of net assessed limited property valuation on property within the boundaries of the Issuer with respect to Debt Service (or such lesser tax rate as may be permitted in Section 10.01 of the Indenture), the Owner shall pay to the Trustee for the benefit of the Bondholders on or, if such day is not a Business Day, before March 15 of each year, commencing March 15, 20[], the Annual Owner Payment (as defined below):

Payment on or before March 15: On February 15 of each year, or if such day is not a Business Day, the immediately preceding Business Day, the Issuer shall certify to the Trustee the amount of Issuer property taxes that would be produced based upon a tax rate of \$1.00 per \$100 (or such lower rate as may be permitted in Section 10.01 of the Indenture) of net assessed limited property valuation (assuming 95% collection of taxes) based upon such current net assessed limited property valuation (the “*Tax Year Tax Amount*”). On February 20 of each year, or if such day is not a Business Day, the immediately preceding Business Day, the Trustee shall determine (a) the Debt Service (without regard to any optional redemption) due in the next succeeding calendar year on January 15 and July 15 (the “*Next Annual Debt Service Payment*”), (b) the amount in the Bond Fund estimated to be available to pay Next Annual Debt Service Payment, if any, after payment of the current year’s July 15th debt service payment (the “*Available Moneys*”), and (c) the remainder, if any, of (i) the Next Annual Debt Service Payment less (ii) the sum of (A) the Available Moneys and (B) the Tax

Year Tax Amount (such remainder being referred to as the “*Annual Owner Payment*”). On March 10 of each year (or the immediately preceding Business Day as described above), the Trustee shall submit a request for payment to the Owner for payment of the Annual Owner Payment, which shall be paid by the Owner to the Trustee on or before March 15 and shall be deposited in the Bond Fund pursuant to the Indenture. Notices and other communications to the Owner hereunder shall be made shall be made in accordance with Section 1.03 of the Indenture. The Trustee shall be fully protected in relying upon the Issuer’s determination of the Tax Year Tax Amount without independent inquiry or investigation.

(B) In addition to the requirements set forth in Section 2.1(A) hereof, in any tax year while the Standby Contribution Agreement is in effect and so long as the Issuer has adopted a resolution that fixes, levies and assesses a tax rate for such tax year of \$1.00 per \$100 of net assessed limited property valuation on property within the boundaries of the Issuer with respect to Debt Service (or such lesser tax rate as may be permitted in Section 10.01 of the Indenture), the Trustee shall submit a request for payment to the Owner for payment of the December Owner Payment and the June Owner Payment (each as defined herein), respectively, which shall be paid by the Owner to the Trustee before December 24 and June 24 of each year and shall be deposited in the Bond Fund pursuant to the Indenture:

(i) **Payment on or before December 24:** On December 15 of each year, or if such day is not a Business Day, the immediately preceding Business Day, the Trustee shall determine the difference between the amount in the Bond Fund on such date and the amount necessary to pay Debt Service (without regard to any optional redemption) on the next succeeding January 15 (such difference being the “*December Owner Payment*”).

(ii) **Payment on or before June 24:** On June 15 of each year, or if such day is not a Business Day, the immediately preceding Business Day, the Trustee shall determine the difference between the amount in the Bond Fund on such date and the amount necessary to pay Debt Service (without regard to any optional redemption) on the next succeeding July 15 (such difference being the “*June Owner Payment*”).

(C) All payments by the Owner under this Section 2.1 shall be paid by the Owner to the Trustee in immediately available funds composed of lawful money of the United States of America and deposited in the Bond Fund.

(D) For the purpose of calculating the amounts due from the Owner hereunder, tax collections shall be allocated first to the payment of principal and interest on the Bonds.

Section 2.2. Nature of Obligations. The obligations of the Owner under this Standby Contribution Agreement shall be absolute and unconditional (except as set forth in Section 2.1 hereof) and shall remain in full force and effect until the Owner is released pursuant to Article 5 hereof. Such obligations shall not be affected, modified or impaired upon the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to, or the consent of, the Owner:

(A) the compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Issuer or of the Owner under the Development Agreement; or

(B) the failure to give notice to the Owner of the occurrence of an event of default under the terms and provisions of this Standby Contribution Agreement, the Indenture or the Development Agreement; or

(C) the waiver of the payment, performance or observance by the Issuer or the Owner of any of the obligations, covenants or agreements of any of them contained in the Indenture, the Development Agreement or this Standby Contribution Agreement; or

(D) the extension of the time for payment of any principal of, premium, if any, or interest on any Bond or the extension or renewal of the time for performance of any other obligations, covenants or agreements under or arising out of the Indenture, the Development Agreement or this Standby Contribution Agreement, whether or not with notice to the Owner; or

(E) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Indenture or the Development Agreement; or

(F) the taking or the omission of any of the actions referred to in the Indenture, the Development Agreement or this Standby Contribution Agreement (other than as set forth in Section 2.1 hereof); or

(G) any failure, omission, delay or lack on the part of the Issuer or the Trustee to enforce, assert or exercise any right, power or remedy conferred on the Issuer or the Trustee in this Standby Contribution Agreement (except as set forth in Section 2.1 hereof), the Indenture or the Development Agreement, or any other act or acts on the part of the Issuer, the Trustee or any of the owners from time to time of the Bonds; or

(H) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or re-adjustment of, or other similar proceedings affecting either of the Owner or the Issuer or any of the assets of either of them or any allegation or contest of the validity of this Standby Contribution Agreement, the Indenture or the Development Agreement, in any such proceeding; or

(I) the release or discharge of the Owner or the Issuer from the performance or observance of any obligation, covenant or agreement contained in the Development Agreement or the Indenture, by operation of and to the extent permitted by law; or

(J) to the extent permitted by law, the release or discharge of the Owner from the performance or observance of any obligation, covenant or agreement contained in this Standby Contribution Agreement by operation of law; or

(K) the default or failure of the Owner fully to perform any of its obligations set forth in this Standby Contribution Agreement or the Development Agreement; or

(L) the invalidity of the Development Agreement, the Indenture or the Bonds.

Section 2.3. No Set Off. Except as otherwise provided herein, no monetary set-off, reduction or diminution of an obligation, or any defense of any kind or nature that the Owner has or may have against the Issuer or the Trustee or that the Issuer may have against the Trustee shall be available hereunder to the Owner against the Trustee.

Section 2.4. Remedies. Upon the occurrence of any failure to pay amounts due hereunder, the Trustee, in its sole discretion, shall have the right to proceed first directly against the Owner under this Standby Contribution Agreement without proceeding against or exhausting any other remedies it may have against the Issuer or any other person, firm or corporation and without resorting to any other security held by the Issuer or the Trustee. Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond or other satisfactory indemnity be furnished for the reimbursement of all expenses and to protect against all liability, except liability that is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

Section 2.5. Waiver of Notice; Payment of Expenses. The Owner hereby expressly waives notice from the Trustee or the owners from time to time of any of the Bonds of their acceptance and reliance on this Standby Contribution Agreement. To the extent permitted by applicable law, the Owner agrees to pay all costs, expenses and fees, including all reasonable attorneys' fees, that may be incurred by the Trustee in enforcing or attempting to enforce this Standby Contribution Agreement following any default on the part of the Owner hereunder, whether the same shall be enforced by suit or otherwise.

Section 2.6. Incorporation by Reference. This Standby Contribution Agreement is entered into by the Owner with the Trustee and the Issuer for the benefit of the Issuer, the Trustee and the owners from time to time of the Bonds, all of whom shall be entitled to enforce performance and observance of this Standby Contribution Agreement to the same extent provided for the enforcement of remedies under the Indenture.

ARTICLE 3

AMENDMENTS

Section 3.1. Amendment. The Owner, the Issuer and the Trustee, at any time and from time to time, may enter into one or more instruments supplemental hereto, under the conditions set forth in Article IX of the Indenture.

ARTICLE 4

THE TRUSTEE AND THE ISSUER

Section 4.1. Acceptance of Trusts; Indemnity. The Trustee hereby accepts the trusts imposed upon it by this Standby Contribution Agreement and agrees to perform said trusts but only upon and subject to the terms and conditions set forth in Article VIII of the Indenture. Notices and other communications to the Trustee hereunder shall be made in accordance with Section 1.03 and Section 8.02(I) of the Indenture. To the extent authorized by law, the Owner shall indemnify and hold harmless the Trustee against any and all loss, damage, claims, expense and liability arising out of or in connection with the acceptance of administration of the trust or trusts under the Indenture and this Standby Contribution Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder or thereunder except to the extent that such loss, damage, claim, expense or liability is determined by a court of competent jurisdiction to have been caused by the Trustee's negligence or willful misconduct.

Section 4.2. Issuer Acceptance. The Issuer hereby accepts the application of the amounts contributed by the Owner pursuant to the provisions of this Standby Contribution Agreement and shall take such actions as are necessary to accomplish the purposes set forth herein.

ARTICLE 5

RELEASE OF STANDBY CONTRIBUTION AGREEMENT

Section 5.1. Release. This Standby Contribution Agreement shall be released by the Trustee upon direction by the Issuer in accordance with Section 6.04 of the Indenture. Upon release hereof, any monies paid by the Owner pursuant hereto that are held by the Trustee and are not required to pay Debt Service on the Bonds shall be returned to the Owner.

ARTICLE 6

MISCELLANEOUS

Section 6.1. Obligations. The obligations of the Owner hereunder shall arise absolutely and unconditionally when the Bonds shall have been issued, sold and delivered by the Issuer.

Section 6.2. Entire Agreement. This Standby Contribution Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 6.3. Validity. The invalidity or unenforceability of any one or more phrases, sentences, clauses or Sections in this Standby Contribution Agreement shall not affect the validity or enforceability of the remaining portions of this Standby Contribution Agreement, or any part thereof.

Section 6.4. Execution as Consent. Any consent, approval, direction or other instrument required by this Standby Contribution Agreement to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, approval, direction or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made pursuant to the Indenture, shall be sufficient for any of the purposes of this Standby Contribution Agreement and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument.

Section 6.5. Governing Law. This Standby Contribution Agreement shall be governed exclusively by the laws of the State of Arizona.

Section 6.6. Benefit of Parties. With the exception of rights herein expressly conferred, nothing herein expressed or mentioned in or to be implied from this Standby Contribution Agreement is intended or shall be construed to give to any person other than the parties hereto and the owners of the Bonds any legal or equitable right, remedy or claim under or in respect of this Standby Contribution Agreement. This Standby Contribution Agreement and all of the covenants, conditions and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereof and the owners of the Bonds herein provided and shall inure to the benefit of and bind their respective successors and assigns.

Section 6.7. Cancellation. As required by the provisions of A.R.S. § 38-511, notice is hereby given that the Issuer may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the Issuer if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Issuer is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Trustee and Owner covenant not to employ as an employee, an agent or, with respect to the subject matter of this Standby Contribution Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Standby Contribution Agreement on behalf of the Issuer within three years from the execution of this Standby Contribution Agreement, unless a waiver of A.R.S. § 38-511, is provided by the Issuer. No basis exists for the Issuer to cancel this Standby Contribution Agreement pursuant to A.R.S. § 38-511, as of the date hereof.

Section 6.8. E-Verify Requirements. To the extent applicable under A.R.S. § 41-4401, the Trustee and Owner shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the “e verify” requirements under A.R.S. § 23-214(A). The breach by the Trustee or the Owner of the foregoing shall be deemed a material breach of this Standby Contribution Agreement. The Issuer retains the legal right to randomly inspect the papers and records

of the Trustee and Owner to ensure that the Trustee and Owner are complying with the above-mentioned warranty. To the extent, and subject to the limitations, of applicable law, the Trustee and the Owner shall keep such papers and records open for random inspection during normal business hours by the Trustee and the Owner, as applicable. To the extent, and subject to the limitations, of applicable law, the Trustee and the Owner shall cooperate with the random inspections by the Issuer including granting the Issuer entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

Section 6.9. No Boycott of Israel. To the extent A.R.S. § § 35-393 through 35-393.03 are applicable, the Trustee and Owner hereby severally, and not jointly, each certify that it is not currently engaged in, and agrees for the duration of this Standby Contribution Agreement to not engage in, a “boycott” of goods or services from Israel, as that term is defined in A.R.S. § 35-393.

Section 6.10. Written Certification; Forced Labor of Ethnic Uyghurs Ban. To the extent A.R.S. § 35-394, is applicable, the Trustee and the Owner hereby certify they do not currently, and for the duration of this Standby Contribution Agreement shall not use: (A) the forced labor of ethnic Uyghurs in the People’s Republic of China, (B) any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China, and (C) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China. The foregoing certification is made to the best knowledge of the Trustee and the Owner without any current independent investigation or without any future independent investigation for the duration of this Standby Contribution Agreement. If either the Trustee or the Owner becomes aware during the duration of this Standby Contribution Agreement that it is not in compliance with such certification, the Trustee or the Owner shall take such actions as provided by law, including providing the required notice to the Issuer. If the Issuer determines that the Trustee is not in compliance with the foregoing certification and has not taken remedial action, the Issuer shall terminate the Trustee’s role as trustee pursuant to Article VIII of the Indenture. If the Owner is not in compliance with the foregoing certification, the Owner shall take remedial action to comply with such certification.

IN WITNESS WHEREOF, the parties hereto have caused this Standby Contribution Agreement to be executed in their respective corporate names by their respective officers, thereunto duly authorized and their respective corporate seals to be hereto affixed as of the date first above written.

**ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)**

By _____
District Manager

ATTEST:

District Clerk

ESTRELLA NORTH LLC, a Delaware limited
liability company

By: _____
Name: _____
Its: _____

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

By _____
Its _____

\$____,000
**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023

BOND PURCHASE AGREEMENT**

November __, 2023

Board of Directors
Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona)
c/o City of Goodyear, Arizona
1900 N Civic Square
Goodyear, Arizona 85395

Ladies and Gentlemen:

The undersigned Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) hereby offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “Issuer”), a community facilities district duly organized and validly existing under and pursuant to the laws of the State of Arizona (the “State” or “Arizona”), whereby the Underwriter will purchase and the Issuer will sell the Bonds (as defined herein). The Underwriter is making this offer subject to the acceptance by the Issuer at or before 11:59 P.M., Arizona Time, on the date hereof. If the Issuer accepts this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Issuer and the Underwriter. The Underwriter may withdraw this Purchase Agreement upon written notice delivered by the Underwriter to the Issuer at any time before the Issuer accepts this Purchase Agreement.

In addition to acceptance of this Purchase Agreement by the Issuer as provided hereinabove, the obligations of the Underwriter and the Issuer under this Purchase Agreement shall be conditioned on the execution and delivery of the Indemnity Letter, dated the date hereof (the “Indemnity Letter”), by Estrella North LLC (“Estrella North”), attached as the Attachment hereto.

1. PURCHASE AND SALE.

(a) Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$____,000 aggregate principal amount of “Estrella Mountain Ranch Community Facilities

District (City of Goodyear, Arizona) General Obligation Bonds, Series 2023” (the “Bonds”), at the purchase price of \$_____, representing the aggregate principal amount of the Bonds less an Underwriter’s discount of \$_____ (paid from amounts contributed by Estrella North) [plus net original issue premium of \$_____/less net original discount of \$_____]. For convenience, the Underwriter shall pay by the Closing (as defined herein), on behalf of the Issuer, \$_____ from the proceeds of the Bonds to the Insurer (as defined herein) as payment of the premium for the Policy (as defined herein). The Underwriter intends to make an initial bona fide public offering of the Bonds at a price or prices (or at a yield or yields) described in the Schedule attached hereto; provided, however, the Underwriter reserves the right to change such initial public offering prices (or yields) as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Bonds (but in all cases subject to the requirements of Section 4 hereof), and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at prices lower than the public offering prices (or yields greater than the yields) set forth therein (but in all cases subject to the requirements of Section 4 hereof).

(b) The Issuer acknowledges and agrees that with respect to the transaction contemplated hereby: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); (ii) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm’s length commercial transaction between the Issuer and the Underwriter and the Underwriter has financial and other interests that differ from those of the Issuer; (iii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Underwriter has to the Issuer expressly are set forth in this Purchase Agreement; and (v) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. DESCRIPTION AND PURPOSE OF THE BONDS.

(a) The Bonds have been authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the “Act”) and a resolution adopted by the Board of Directors of the Issuer on November 13, 2023 (the “Bond Resolution”). The Bonds shall be dated the date of delivery and shall be issued and secured under and pursuant to the Indenture of Trust and Security Agreement, to be dated as of December 1, 2023 (the “Indenture”), from the Issuer to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

(b) The proceeds of the sale of the Bonds and amounts contributed by Estrella North will be used to (i) acquire the public infrastructure described in the Feasibility Report related to the Bonds, and (ii) pay certain costs of issuance associated with the Bonds, including the premium for the Policy.

(c) The Bonds shall mature in the years, bear interest, produce the yields or prices and be subject to redemption at the times and in the amounts, all as set forth in the Schedule attached hereto. The terms of the Bonds shall be otherwise as described in the Indenture.

3. DELIVERY OF THE OFFICIAL STATEMENT AND OTHER DOCUMENTS.

(a) The Issuer has approved and delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated November __, 2023, which, including the cover page, the inside front cover page and all appendices thereto, is herein referred to as the “Preliminary Official Statement.” It is acknowledged by the Issuer that the Underwriter may deliver the Preliminary Official Statement and a final Official Statement (as defined herein) electronically over the internet and in printed paper form. The Issuer deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12.

(b) Within seven (7) business days from the date hereof, and in any event not later than the Closing Date (as defined herein), the Issuer shall deliver to the Underwriter a final Official Statement relating to the Bonds dated the date hereof (such Official Statement, including the cover page, the inside front cover page and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, Bond Counsel (as defined herein) and the Underwriter, is referred to herein as the “Official Statement”) and such additional conformed copies thereof as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board (the “MSRB”) and to meet potential customer requests for copies of the Official Statement. The Underwriter agrees to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Market Access system, if required by MSRB Rule G-32. The Official Statement shall be executed by and on behalf of the Issuer by an authorized officer of the Issuer. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Underwriter. The Issuer hereby agrees to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (the “SEC”) including in a word-searchable pdf format including any amendments thereto. The Issuer hereby ratifies, confirms and consents to and approves the use and distribution by the Underwriter before the date hereof of the Preliminary Official Statement and hereby authorizes and consents to the use by the Underwriter of the Official Statement in connection with the public offering and sale of the Bonds.

(c) In order to assist the Underwriter in complying with Rule 15c2-12, the Issuer will undertake, pursuant to the Continuing Disclosure Undertaking, to be dated the Closing Date (the “Undertaking”), of the Issuer, to provide annual financial information and notices of the occurrence of specified events. A description of the Undertaking is set forth in, and a form of the Undertaking is attached as APPENDIX C - “FORM OF CONTINUING DISCLOSURE UNDERTAKING” to, the Preliminary Official Statement and the Official Statement.

4. ESTABLISHMENT OF ISSUE PRICE.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, substantially in the form of Exhibit A attached hereto, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, 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 Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) [Except for the maturities set forth in the Schedule attached hereto,] the Issuer represents that it will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which the Underwriter 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 Issuer the prices at which Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Bonds of that maturity have been sold 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 request of the Underwriter, the Issuer 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.

[(c) The Underwriter confirms that the Underwriter 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 the Schedule attached hereto, except as otherwise set forth therein. The Schedule attached hereto also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% Test has not been satisfied and for which the Issuer and the Underwriter agrees that the restrictions set forth in the next sentence shall apply, which will allow the Issuer 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:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) 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 Issuer 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.

[(c)][(d)] The Underwriter confirms that:

- (i) any selling group agreement and each 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 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, in each case if and for so long as directed by the Underwriter,
 - (B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and
 - (C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.
- (ii) 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 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 dealer and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

[(d)][(e)] The Issuer 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, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer 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.

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

- (i) “public” means any person other than an underwriter or a related party to an underwriter,
- (ii) “underwriter” means (A) 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 (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),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships

(including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

[[f)/(g)] Notwithstanding anything herein to the contrary, any reporting obligation with respect to maturities subject to the hold-the-offering-price rule will terminate at the end of the Holding Period (as defined in the form of Issue Price Certificate attached as Exhibit A hereto) even if such date is prior to the Closing Date.]

5. ISSUER’S REPRESENTATIONS. The Issuer represents to and agrees with the Underwriter that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriter pursuant to the Bond Resolution and the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Indenture, the Undertaking, the Standby Contribution Agreement, to be dated as of December 1, 2023 (the “Standby Contribution Agreement”), by and among the Issuer, Estrella North and the Trustee (collectively, the “Issuer Documents”), and the Bonds, and to perform and consummate all obligations and transactions required or contemplated by each of the Issuer Documents and the Official Statement.

(b) The Bond Resolution approving and authorizing the execution and delivery by the Issuer of the Issuer Documents and the offering, issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement, was duly adopted at a meeting of the Board of Directors of the Issuer 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 is in full force and effect and has not been amended or repealed.

(c) The Issuer Documents and the Bonds conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement, and the Bonds, when duly issued and authenticated in accordance with the Bond Resolution and delivered to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Bond Resolution and the Indenture and payable from the sources therein specified.

(d) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Issuer Documents. Each of the Issuer Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, except as the enforceability of thereof may be limited by application of bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally from time to time in effect and from the application of general principles

of equity and from public policy limitations on the exercise of any rights to indemnification and contribution (collectively, “Creditors’ Rights Laws”). Each of the Issuer Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) The Issuer is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined herein), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Bond Resolution, the issuance, delivery and sale of the Bonds and the execution and delivery of the Issuer Documents and compliance with and performance of the Issuer’s obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer (except as described in or contemplated by the Issuer Documents and the Official Statement) or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term “Material Judgment or Agreement” means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Bond Resolution and the Issuer Documents).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction (including with respect to the requirements of Section 35-501(B), Arizona Revised Statutes) which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained; provided, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Issuer and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made and as to the authority of the representative to deliver such certificates and make such representation.

(h) Between the date hereof and the time of the Closing and to the extent it may legally agree to do so pursuant to applicable law, the Issuer shall not, without the prior written consent of the Underwriter, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Issuer or except for such borrowings as may be described in or contemplated by the Official Statement.

(i) The financial statements of the Issuer as of June 30, [2022], fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Issuer or in its operations since June 30, [2022], and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(j) Except for information which is permitted to be omitted pursuant to Rule 15c2-12, the information contained in the Preliminary Official Statement (excluding therefrom any information regarding DTC (as defined herein) or the Insurer and the information under the heading “UNDERWRITING,” as to which no representations or warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does 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 the light of the circumstances under which they were made, not misleading.

(k) The Official Statement is, as of its date and at all times after the date of the Official Statement (excluding therefrom any information regarding DTC or the Insurer and the information under the heading “UNDERWRITING,” as to which no representations or warranties are made) up to and including the Closing Date will be, true and correct in all material respects and will 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 the light of the circumstances under which they were made, not misleading.

(l) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including that date that is 25 days from the “end of the underwriting period” as defined in Rule 15c2-12 (unless the Underwriter notifies the Issuer by the Closing Date of an unsold balance, in which case the “underwriting period” shall be deemed to end on the Closing Date), the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) If between the date of the Official Statement and the Closing any event shall occur which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter thereof, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Underwriter.

(n) Except as described in the Preliminary Official Statement and Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer: (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds; (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Issuer Documents; (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Bond Resolution or the Act or any provision thereof or the application of the proceeds of the Bonds; (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto; or (v) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement and Official Statement or any of the Issuer Documents. The Issuer shall advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds.

(o) Except as described in the Official Statement, during the last five years, the Issuer has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(p) Except as described in the Official Statement, the Issuer, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

All representations, warranties and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter or on the Underwriter's behalf, and shall survive the delivery of the Bonds.

6. UNDERWRITER'S REPRESENTATIONS. The Underwriter represents to and agrees with the Issuer that the Underwriter and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this Purchase Agreement will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. The Underwriter understands that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

7. CLOSING.

The date of the payment for and delivery of the Bonds (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery of the Bonds herein sometimes called the “Closing”) shall be at 8:00 A.M., Arizona Time, on December __, 2023, or at such other time or date as the Underwriter and the Issuer may mutually agree upon as the date and time of the Closing (the “Closing Date”), the Issuer will deliver or cause to be delivered to the Underwriter, at the offices of Gust Rosenfeld P.L.C. (“Bond Counsel”), or at such other place as the Underwriter and the Issuer may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York (“DTC”), duly executed and authenticated, and the other documents specified in Section 8. At the Closing, (i) upon satisfaction of the conditions herein specified, the Underwriter shall accept the delivery of the Bonds, and pay the purchase price therefor in federal funds, and (ii) the Issuer shall deliver or cause to be delivered the Bonds to the Underwriter through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Underwriter at the Closing and the Issuer shall deliver the other documents hereinafter mentioned. The Bonds shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection.

8. CONDITIONS PRECEDENT.

The Underwriter has entered into this Purchase Agreement in reliance upon the representations and agreements of the Issuer contained herein and of Estrella North contained in the Indemnity Letter and the performance by the Issuer of its obligations hereunder and of Estrella North pursuant to the Indemnity Letter, both as of the date hereof and as of the Closing Date. The Underwriter’s obligations under this Purchase Agreement are and shall be subject to the following additional conditions:

(a) The representations and agreements of the Issuer contained herein and of Estrella North contained in the Indemnity Letter shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(b) At the time of the Closing, the Official Statement, the Bond Resolution, the Bonds and the Issuer 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.

(c) The Issuer shall perform or have performed all of its obligations required under or specified in the Bond Resolution, the Bonds, the Issuer Documents and the Official Statement to be performed at or prior to the Closing.

(d) The Issuer shall have delivered to the Underwriter the Official Statement by the time, and in the numbers, required by Section 3 of this Purchase Agreement.

(e) As of the date hereof and at the time of Closing, all necessary official action of the Issuer relating to the Bonds, the Issuer Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(f) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer, the Act, the Bond Resolution, the Bonds or the Issuer Documents as the foregoing matters are described in the Preliminary Official Statement and the Official Statement, which in the reasonable professional judgment of the Underwriter materially impairs the investment quality of the Bonds.

(g) At or prior to the Closing, the Underwriter shall receive the transcript of proceedings of the Issuer relating to the issuance of the Bonds, including, but not limited to, the following documents (in each case with only such changes as the Underwriter shall approve):

- (i) The approving opinion of Bond Counsel relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix B to the Official Statement, and, if not otherwise directly addressed to the Underwriter, a reliance letter with respect thereto addressed to the Underwriter;
- (ii) The supplemental opinion of Bond Counsel, addressed to the Underwriter, dated the Closing Date, and substantially in the form of Exhibit B attached hereto;
- (iii) The opinion of Berens Blonstein PLC, counsel to Estrella North, addressed to the Issuer and the Underwriter, dated the Closing Date, and substantially in the form of Exhibit C attached hereto.
- (iv) The opinion of Greenberg Traurig, LLP, counsel to the Underwriter, dated the date of the Closing and addressed to the Underwriter, and covering such matters as the Underwriter may reasonably request;
- (v) A certificate, dated the Closing Date, signed by an authorized official of the Issuer to the effect that: (a) the representations and agreements of the Issuer contained herein are true and correct in all material respects as of the date of the Closing; (b) the Bonds and the Issuer Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Preliminary Official Statement and the Official Statement, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Bond Resolution or any Issuer Document, (iii) in any way contesting the creation, existence or powers of the Issuer or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, or the Bonds or any Issuer

Document; (d) no authority or proceedings for the issuance of the Bonds has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Bonds has been filed with or received by such authorized officer; (e) the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of any information in the Preliminary Official Statement or the Official Statement regarding DTC or the Insurer and the information under the heading “UNDERWRITING”; (f) the financial statements of the Issuer as of June 30, [2022], fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth; and (g) except as disclosed in the Preliminary Official Statement and the Official Statement, since June 30, [2022], no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Issuer and the Issuer has not incurred since June 30, [2022], any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Preliminary Official Statement and the Official Statement;

- (vi) A certificate or certificates of Estrella North, signed by authorized officials of Estrella North and in form and substance satisfactory to the Underwriter, to the effect that the representations and warranties contained in the Indemnity Letter, the Standby Contribution Agreement and in the other documents executed by Estrella North in connection with the issuance of the Bonds are true and correct in all material respects as of the Closing;
- (vii) A certificate, dated the Closing Date, signed by an authorized officer of the Trustee to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and the Standby Contribution Agreement (together, the “Trustee Documents”) and to authenticate, execute and deliver the Bonds to the Underwriter; (b) the Trustee is duly authorized to enter into the Trustee Documents and to authenticate and issue the Bonds to the Underwriter pursuant to the Indenture; (c) when delivered to and paid for by the Underwriter at the Closing, the Bonds will have been duly authenticated and issued by the Trustee; (d) the execution and delivery of the Trustee Documents and compliance with the

provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or Blue Sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Trustee Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (e) to the best knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoin the issuance of the Bonds or the collection of revenues to be applied to pay the principal and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trustee Documents, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trustee Documents or the power and authority of the Trustee to enter into and perform its duties under the Trustee Documents and to authenticate, execute and deliver the Bonds to or upon the order of the Underwriter;

- (viii) Executed or certified copies of each of the Issuer Documents;
- (ix) A tax certificate of the Issuer, in form satisfactory to Bond Counsel, executed by such officials of the Issuer as shall be satisfactory to the Underwriter;
- (x) A certified copy of the Bond Resolution;
- (xi) Specimen Bonds;
- (xii) A counterpart original of the Official Statement manually executed on behalf of the Issuer by an authorized officer of the Issuer;

- (xiii) Evidence satisfactory to the Underwriter that _____ (the “Insurer”) has issued its municipal bond insurance policy with respect to the Bonds (the “Policy”) as well as appropriate opinions and certificates from the Insurer relating to the Policy;
- (xiv) Evidence satisfactory to the Underwriter that Standard & Poor’s Financial Services LLC (“S&P”) has issued a rating for the Bonds of “AA” based on issuance of the Policy and that S&P has issued an underlying rating for the Bonds of “___” (together, the “Ratings”), and that the Ratings are then in effect;
- (xv) Evidence that the Issuer has caused or will cause to be filed the Report of Bond and Security Issuance Pursuant to Section 35-501(B), Arizona Revised Statutes;
- (xvi) Evidence that a Form 8038-G relating to the Bonds has been executed by the Issuer and will be filed with the Internal Revenue Service within the applicable time limit;
- (xvii) A copy of the Issuer’s executed Blanket Letter of Representation to DTC; and
- (xviii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, counsel to the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Issuer and Estrella North with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and of Estrella North contained in the Indemnity Letter and the due performance or satisfaction by the Issuer and Estrella North at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and Estrella North.

9. TERMINATION.

If the Issuer and Estrella North shall be unable to satisfy the conditions of the Underwriter’s obligations contained in this Purchase Agreement or if the Underwriter’s obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Underwriter to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriter may be waived by the Underwriter.

(a) The Underwriter shall also have the right, before the time of Closing, to cancel its obligations to purchase the Bonds, by written notice (or by telephone confirmed in writing) by the Underwriter to the Issuer, 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 hereinafter referred to as a “Termination Event”):

- (i) 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:
 - (A) 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; or
 - (B) 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
 - (C) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or
 - (D) 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 Bonds, the Bond Resolution or the Issuer Documents, or any comparable securities of the Issuer, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended (the “Securities Act”) or the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”) or otherwise, or would be in violation of any provision of the federal securities laws; or

- (E) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Issuer or Estrella North shall have occurred; or
- (F) any rating on general obligation bonds of the Issuer is reduced or 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 Issuer 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, the Exchange Act and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the Issuer and the Underwriter under this Purchase Agreement shall terminate, without further liability.

10. AMENDMENTS TO OFFICIAL STATEMENT.

During the period commencing on the date of the Official Statement and ending twenty-five (25) days from the “end of the underwriting period” (as defined in Rule 15c2-12) the Issuer shall advise the Underwriter if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or “potential customer” (as defined for purposes of Rule 15c2-12). If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including that date that is 25 days from the end of the underwriting period, the Official Statement as supplemented or amended will not contain any untrue statement of a material fact or omit to state any 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 and shall amend or supplement the Official Statement (in form and substance satisfactory to counsel to the Underwriter) so that the Official Statement will 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 the light of the circumstances under which they were made, not misleading. The expenses of preparing such amendment or supplement shall be borne by the Issuer. For the purpose of this Section, the Issuer will furnish to the Underwriter such information with respect to itself as the Underwriter may from time to time reasonably request.

11. 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 Issuer’s obligations hereunder. If the Bonds are delivered by the Issuer to the Underwriter, the Issuer shall pay, from the proceeds of the Bonds or from other funds of the Issuer or from amounts contributed by Estrella North, the following expenses: (i) the cost of preparing, duplicating or printing, mailing and delivering the Issuer Documents, including the cost of electronically distributing the Preliminary Official Statement and the Official Statement and any amendment or supplement of either; (ii) the cost of preparation and printing of the definitive Bonds; (iii) the fees and expenses of the Issuer, the Trustee, Bond Counsel, counsel to the Underwriter and any entity performing continuing disclosure compliance research or providing continuing disclosure compliance reports and any other experts or consultants retained by the Issuer; (iv) the charges of any rating agency with respect to the Bonds; (v) 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 Issuer and Underwriter have previously discussed and approved the allocation of proceeds towards these fees, and meal and travel expenses of Issuer personnel, but not including entertainment expenses or those to be paid by the Underwriter pursuant to the last paragraph of this Section 11, and (vi) all other fees and expenses, not including entertainment expenses, reasonably incurred in connection with the preparation of the Issuer Documents and/or the initial

offering, sale and delivery of the Bonds, including for the Policy. The Issuer has authorized, and does hereby authorize, the Underwriter to pay certain of such expenses on behalf of the Issuer 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 Issuer, the Issuer 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.

(c) Except as otherwise provided in this Section 11, 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.

12. USE OF DOCUMENTS.

The Issuer hereby authorizes the Underwriter to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Issuer Documents, and the information contained herein and therein.

13. QUALIFICATION OF SECURITIES.

The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; *provided, however*, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

14. NOTICES.

Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona), c/o City of Goodyear, Arizona, 1900 N Civic Square, Goodyear, Arizona 85395, Attention: District Treasurer, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to the following address:

Stifel, Nicolaus & Company, Incorporated
Suite 300
2801 East Camelback Road
Phoenix, Arizona 85016
Attention: Robert A. Casillas, Managing Director

15. BENEFIT.

This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 9 (and in all events the agreements of the Issuer pursuant to Section 11 hereof shall remain in full force and effect notwithstanding the termination of this Purchase Agreement under Section 9 hereof).

16. GOVERNING LAW. THIS PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ARIZONA.

17. WAIVER OF JURY TRIAL. THE ISSUER HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

18. MISCELLANEOUS.

(a) 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.

(b) If any section, paragraph, subdivision, sentence, clause or phrase of this Purchase Agreement shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions of this Purchase Agreement. The parties to this Purchase Agreement declared they would have executed this Purchase Agreement and each and every other section, paragraph, subdivision, sentence, clause and phrase of this Purchase Agreement, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Purchase Agreement may be held to be illegal, invalid, or unenforceable. If any provision of this Purchase Agreement contains any ambiguity which may be construed as either valid or invalid, the valid construction shall be adopted.

(c) This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

(d) To the extent applicable by provision of law, this Purchase Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein by this reference.

(e) The electronic signature of a party to this Purchase Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Purchase

Agreement. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means, electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Underwriter; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (pdf) or other replicating image attached to an electronic mail or internet message.

[Signature page follows.]

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

.....
Robert A. Casillas, Managing Director

Approved and Agreed to: December __, 2023

ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)

By

Printed Name:

Title:

APPROVED AS TO FORM:

GUST ROSENFELD P.L.C., Attorney
for the Issuer

.....

SCHEDULE

\$____,000

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023**

Maturity Dates (July 1)	Principal Amounts	Interest Rates	Yields
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* Yield calculated to first optional redemption date: July 1, 20__.

Optional Redemption. The Bonds maturing before or on July 1, 20__, will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 1, 20__, will be subject to redemption prior to their stated maturity dates, at the option of the Issuer, in whole or in part on July 1, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond redeemed plus interest accrued to the date fixed for redemption, without premium.

Mandatory Redemption. The Bonds maturing on July 1, 20__ will be redeemed on July 1 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date fixed for redemption, without premium:

Bonds Maturing July 1, 20__

Redemption Date (<u>July 1</u>)	Principal <u>Amount</u>
--------------------------------------	----------------------------

(maturity)

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

\$____,000

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023**

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

1. Bond Purchase Agreement. On November __, 2023 (the “Sale Date”), Stifel and Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “Issuer”) executed a Bond Purchase Agreement (the “Purchase Contract”) in connection with the sale of the Bonds. Stifel has not modified the Purchase Contract since its execution on the Sale Date.

2. Price.

(a) As of the date of this Certificate, for each [Maturity] [of the _____ Maturities] of the Bonds, the first price or prices at which at least 10% of [each] such Maturity of the Bonds was sold to the Public (the “10% Test”) are the respective prices listed in Schedule A attached hereto.

(b) **[To be used if not using Hold-the-Offering-Price Rule and 10% was not sold for all Maturities]** [** With respect to each of the _____ Maturities of the Bonds:

- (i) As of the date of this Certificate, Stifel has not sold at least 10% of the Bonds of these Maturities at any price or prices.
- (ii) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Bonds of these Maturities will be at or below the respective price or prices listed on the attached Schedule A as the “Reasonably Expected Sale Prices for Undersold Maturities.”
- (iii) Stifel will provide actual sales information (substantially similar to the information contained on Schedule B) as to the price or prices at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.
- (iv) On the date the 10% Test is satisfied with respect to all Maturities of the Bonds, Stifel will execute a supplemental certificate substantially in the form attached hereto as Schedule C with respect

to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.**]

(b) [To be used if using Hold-the-Offering-Price Rule] [Alternative 1 - All Maturities Use Hold-the-Offering-Price Rule: Stifel offered the Bonds 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.] [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: 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.]

[Alternative 1 - All Maturities use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, Stifel has agreed in writing that, (i) for each Maturity of the Bonds, 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 requirements for establishing issue price for the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, 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 requirements for establishing issue price for the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. Defined Terms.

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

(b) [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 ([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.]

(c) *Issuer* means Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona).

(d) *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.

(e) *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.

(f) *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 [_____, 2023].

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a 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 of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By: _____
[banker]

By: _____
[underwriter]

Dated: [Closing Date]

SCHEDULE A

Actual Sales Information as of Closing Date

Maturity/CUSIP <u>(July 1)</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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The aggregate issue price of all maturities of the Bonds is \$_____.

[Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date**

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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SCHEDULE B

[Actual Sales for Undersold Maturities as of the Closing Date]

<u>Maturity/CUSIP</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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**]

[PRICING WIRE OR EQUIVALENT COMMUNICATION]

(Attached)

SCHEDULE C

SUPPLEMENTAL ISSUE PRICE CERTIFICATE

\$____,000

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023**

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

1. Issue Price.

(a) Stifel sold at least 10% of the _____ Maturities of the Bonds to the Public at the price or prices shown on the Issue Price Certificate dated as of the Closing Date (the “10% Test”). With respect to each of the _____ Maturities of the Bonds, Stifel had not satisfied the 10% Test as of the Closing Date (the “Undersold Maturities”).

(b) As of the date of this Supplemental Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Maturities. The first price or prices at which at least 10% of each such Undersold Maturity was sold to the Public are the respective prices listed on Exhibit A attached hereto.

2. Defined Terms.

(a) *Issuer* means Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona).

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

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

(d) *Underwriter* means (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 of the Issuer dated [closing date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By: _____
[banker]

By: _____
[underwriter]

Dated: [Closing Date]

EXHIBIT A
TO
SUPPLEMENTAL ISSUE PRICE CERTIFICATE**

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[LETTERHEAD OF GUST ROSENFELD P.L.C.]

[Closing Date]

Stifel, Nicolaus & Company, Incorporated
Suite 300
2801 East Camelback Road
Phoenix, Arizona 85016

Re: Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) General Obligation Bonds, Series 2023

WE HAVE ACTED as Bond Counsel to Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “Issuer”), in connection with the issuance this date by the Issuer of the captioned bonds (the “Bonds”) and otherwise as counsel to the Issuer. The Bonds are issued under and secured by the resolution authorizing issuance of, and certain other matters related to, the Bonds adopted by the District Board of the Issuer on November 13, 2023 (the “Resolution”), and the Indenture of Trust and Security Agreement, dated as of December 1, 2023 (the “Indenture”), from the Issuer to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), are the subject of an Official Statement, dated November __, 2023 (the “Official Statement”), and are the subject of a Bond Purchase Agreement, dated November __, 2023 (the “Purchase Contract”), by and between the Issuer and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), a Standby Contribution Agreement, dated as of December 1, 2023 (the “Standby Contribution Agreement”), by and among the Issuer, Estrella North LLC (“Estrella North”) and the Trustee, and a Continuing Disclosure Undertaking, dated even date hereof (the “Undertaking” and, collectively with the Indenture, the Standby Contribution Agreement and the Purchase Contract, the “District Documents”), from the Issuer. (You may rely on our opinion as Bond Counsel, dated of even date herewith, with regard to the Bonds as if addressed to you.)

IN OUR CAPACITY as Bond Counsel, and as counsel as described hereinabove to the Issuer, we have examined and relied upon:

- (i) A certified copy of the Resolution (which authorized, among other matters, execution and delivery of the Purchase Contract);
- (ii) An executed copy of the Indenture;

- (iii) An executed copy of the Standby Contribution Agreement;
- (iv) An executed copy of the Official Statement;
- (v) An executed copy of the Purchase Contract;
- (vi) An executed copy of the Undertaking;
- (vii) Such other agreements, certificates (including particularly, but not by way of limitation, certificates of Estrella North, dated of even date herewith), opinions, letters and other documents, including all documents delivered or distributed at the closing of the sale of the Bonds, as we have deemed necessary or appropriate in rendering the opinions set forth herein; and
- (vii) Such provisions of the Constitution and laws of the State of Arizona and the United States of America as we believe necessary to enable us to render the opinions set forth herein.

IN OUR EXAMINATION, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents and the accuracy of the statements contained in such certificates. In connection with our representation of the Issuer in the capacities described above, we have also participated in conferences from time to time with representatives of and counsel to the Issuer, the Underwriter, the Trustee and Estrella North relating to the District Documents.

We are of the opinion, based upon the foregoing and subject to the reliance hereinabove indicated and the qualifications hereinafter set forth, that under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

1. The Issuer is duly organized and validly existing as a community facilities district for purposes set forth in Section 48-708(B), Arizona Revised Statutes, as amended, pursuant to the Constitution and laws of the State of Arizona and has all requisite power and authority thereunder (a) to adopt the Resolution, (b) to authorize, execute, deliver and issue, as applicable, the District Documents and the Bonds, (c) to approve, execute and authorize the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement, dated November __, 2023 (the “Preliminary Official Statement”), with respect to the Bonds) and (d) to carry out and consummate the transactions contemplated by the Official Statement, the Resolution, the District Documents and the Bonds (including performing the applicable obligations thereunder).

2. Adoption of the Resolution; authorization, execution, delivery and issuance, as applicable, of, and the due performance of the obligations of the Issuer under, the District Documents and the Bonds and the approval, execution and authorization of the use and distribution of the Official Statement (including, as

applicable, the Preliminary Official Statement) by the Issuer under the circumstances contemplated thereby do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or of any existing law, ordinance, administrative regulation, court order or consent decree to which the Issuer is subject.

3. No consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Bonds), is required in connection with the adoption by the Issuer of the Resolution or the authorization, execution, delivery, issuance and performance, as applicable, by the Issuer of the District Documents and the Bonds and the consummation of the transactions contemplated by the Official Statement.

4. The Issuer has duly (a) adopted the Resolution and (b) authorized (i) the authorization, execution, delivery and issuance, as applicable of, and the performance of its obligations under, the District Documents and the Bonds and (ii) the taking of the actions required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by the Official Statement, the Resolution, the District Documents and the Bonds. The Issuer has complied with all applicable provisions of law and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the aforesaid documents.

5. The District Documents have been duly authorized, executed and delivered by the Issuer and, assuming due and valid authorization, execution and delivery by the other party thereto, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms. The Indenture creates the lien it purports to create in the Trust Estate (as defined in the Indenture).

6. Based solely upon a search of the available records of the Superior Court in and for the State of Arizona, County of Maricopa and the United States District Court for the District of Arizona for the five-year period ending, 2023, and upon inquiry of Issuer officials, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or overtly threatened against or affecting the Issuer, and there is no basis therefor, (i) which in any way questions the powers of the Issuer referred to hereinabove or the validity of the proceedings taken by the Issuer in connection with the sale and issuance of the Bonds, (ii) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement, the Resolution, the District Documents or the Bonds or would in any way adversely affect the validity or enforceability of the Resolution, the District Documents or the Bonds (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or by the Purchase Contract or by the Official Statement) or (iii) contesting

in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement. Further, there are no lawsuits pending or threatened against the Issuer which question the right of the Issuer to levy, receive and pledge ad valorem property taxes, nor lawsuits pending or overtly threatened against the Issuer which, if decided adversely to the Issuer, would, individually or in the aggregate, have a material adverse effect on the financial condition of the Issuer or impair the ability of the Issuer to comply with all the requirements set forth in the Official Statement, the Resolution, the District Documents or the Bonds.

7. The information contained in the Preliminary Official Statement and the Official Statement in the tax caption on the cover thereof, under the headings “THE DISTRICT,” “THE BONDS,” “SECURITY FOR AND SOURCES OF PAYMENT” (except the information included under the subheading “*Ad Valorem* Property Taxation in the District”), “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District,” “LITIGATION,” “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT,” “BOND PREMIUM,” “CONTINUING DISCLOSURE” (except as it relates to compliance with prior undertakings) and “RELATIONSHIP AMONG PARTIES” (only as it relates to Bond Counsel) therein and in Appendix B - “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” Appendix C - “FORM OF STANDBY CONTRIBUTION AGREEMENT,” Appendix D - “FORM OF LEGAL OPINION OF BOND COUNSEL” and Appendix E - “FORM OF CONTINUING DISCLOSURE UNDERTAKING” insofar as such information purports to summarize certain provisions of federal or state law or of the Bonds, fairly summarizes the information which it purports to summarize. Furthermore, based solely on our participation in the transaction as Bond Counsel, nothing has come to our attention that would lead us to believe that the information and statements in the Preliminary Official Statement, as of its date and as of the date of sale of the Bonds, and the Official Statement, as of its date and as of the date hereof, contained or contain any untrue statement of a material fact or omitted or omit, respectively, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, no view is expressed as to the financial statements of the Issuer, any other financial, forecast, technical or statistical data, and any information in the Preliminary Official Statement or the Official Statement respecting The Depository Trust Company or _____.

8. It is not necessary in connection with the sale and issuance of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Resolution or the Indenture under the Trust Indenture Act of 1939, as amended.

Our opinions expressed in paragraph 5 hereof are qualified to the extent that the enforceability of the District Documents are dependent upon the due authorization, execution and delivery of (and authority to perform lawfully) the District Documents by the other parties thereto and to the extent that the enforceability of the District Documents may be limited by bankruptcy,

insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and the exercise of judicial discretion in accordance with general principles of equity, including possible refusal by a particular court to grant certain equitable remedies such as specific performance with respect to the enforcement of any provision of such documents. We express no opinion as to the enforceability of any provisions of the District Documents (i) restricting access to legal or equitable remedies, (ii) purporting to establish evidentiary standards or waiving or otherwise affecting any rights to notice, demand or exhaustion of collateral, (iii) relating to self-help, subrogation, indemnification, delay or omission to enforce rights or remedies, severability or marshalling of assets or (iv) purporting to grant to the owners of the Bonds or to any party to the District Documents (other than the Issuer) any rights or remedies not specifically set forth therein.

This opinion is furnished by us as Bond Counsel. No attorney-client relationship has existed or exists between our firm and the addressee in connection with the Bonds or by virtue of this opinion. This opinion is solely for the addressee's benefit and, except as specifically stated herein, is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This opinion speaks only as of its date, and no republication is intended upon the sale, assignment, conveyance or transfer of the Bonds by the Underwriter.

Respectfully submitted,

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE ESTRELLA NORTH

[LETTERHEAD OF BERENS BLONSTEIN PLC]

[Closing Date]

Stifel, Nicolaus & Company, Incorporated
Suite 300
2801 East Camelback Road
Phoenix, Arizona 85016

Board of Directors
Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona)
c/o City of Goodyear, Arizona
1900 N Civic Square
Goodyear, Arizona 85395

Re: Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) General Obligation Bonds, Series 2023

WE HAVE ACTED as counsel to Estrella North LLC, a limited liability company formed and existing pursuant to the laws of the State of Delaware (hereinafter referred to as “Company”), particularly in connection with the transactions provided for by the documents referred to herein and in connection with the issuance and sale of the captioned Bonds, sold pursuant to a Bond Purchase Agreement, dated November __, 2023 (hereinafter referred to as the “Purchase Contract”), by and between Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the “Underwriter”), and Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (hereinafter referred to as the “District”). Any capitalized term used and not defined herein shall have the meaning assigned to it in the Purchase Contract.

For purposes of this opinion, we have examined the following:

- (1) The executed Purchase Contract;
- (2) The executed Official Statement, dated November __, 2023 (hereinafter referred to as the “Official Statement”), of the District;
- (3) The executed Indemnity Letter, dated the date of sale of the Bonds by Company;

- (4) The executed Standby Contribution Agreement, dated as of December 1, 2023, by and among the District, Company and U.S. Bank Trust Company, National Association, as trustee;
- (..); and
- (..) Such other documents and instruments as we have considered necessary or appropriate for the purposes of this opinion

and received such other information from representatives of Company as we have deemed necessary for the purposes of this opinion (hereinafter referred to, collectively, as “due inquiry”). (The documents listed in paragraphs (3) and (4) above are hereinafter referred to together as the “Company Documents.” The documents listed in paragraphs (..) through (..) above are hereinafter referred to as the “Organizational Documents.”)

In rendering the following opinions, we have assumed:

- (a) The genuineness of all signatures to the Company Documents, except for the signatures of Company on the Company Documents, and the legal capacity of each natural person executing the Company Documents;
- (b) The authenticity and completeness of documents submitted as originals and the conformity to originals of documents submitted as copies;
- (c) The due authorization, execution, acknowledgment where necessary, and delivery, and the validity and binding effect, of the Company Documents with regard to the parties to that agreement other than Company;
- (d) The Company Documents accurately describe and contain the agreement and mutual understanding of the parties thereto and that there are no oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms of the Company Documents;
- (e) That any certificate, representation (oral or otherwise), telegram, telex, telecopy, email or other documents on which we have relied, whether or not given or dated earlier than the date hereof, is authentic and remains accurate insofar as relevant to this opinion from such earlier date through and including the date hereof, and we are not aware of any facts inconsistent with this assumption; and
- (f) After due inquiry, the parties’ representations and warranties contained in the Company Documents are truthful and accurate and all reports and other documents prepared by third party consultants, relating to the transactions contemplated by the Company Documents or any of the property within the District are truthful and accurate.

Based on the foregoing, and subject to the limitations, qualifications and assumptions set forth herein, it is our opinion that:

1. Company is a limited liability company duly organized and validly existing under the laws and Constitution of the State of Delaware.

2. Company is qualified to do business under the laws of the State of Arizona.

3. Company has the requisite power and authority under the laws of the State of Arizona as well as all consents, approvals, authorizations and other actions by, and filings with, all federal, State and local governmental authorities required (i) to execute and deliver the Company Documents and carry out the terms and conditions applicable to it under, and consummate all transactions contemplated by, the Company Documents; (ii) to own and operate its properties and assets as described in the Official Statement and (iii) to carry out its business as such business is currently being conducted as described in the Official Statement.

4. The execution, delivery and performance of the Company Documents by Company and the carrying out, giving effect to and consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of Company, and the Company Documents have been duly executed and delivered by Company.

5. The Company Documents are in full force and effect as of the date hereof and constitute legal, valid and binding obligations of Company, enforceable in accordance with their terms.

6. The execution and delivery of the Company Documents by Company, and the performance of its obligations thereunder, do not and will not conflict with or result in a violation of, or a default pursuant to, the Organizational Documents.

7. To our actual knowledge, the execution and delivery of the Company Documents by Company will not conflict with or result in a violation of any contract, indenture, instrument or other agreement to which Company is a party or by which it or its properties are bound.

8. No consent, approval, authorization or other action by, or filing with, any federal, State or local governmental authority is required in connection with the execution and delivery by Company of the Company Documents which consent, approval, authorization or other action has not already been obtained.

9. We have no actual knowledge that Company is in violation of any provision of, or in default under, its Organizational Documents or any agreement or other instrument, violation of or default under which would materially and adversely affect the business, properties, assets, liabilities or conditions (financial or other) of Company.

10. We have no actual knowledge of any legal or governmental actions, proceedings, inquiries or investigations pending or overtly threatened by any governmental authorities or to which Company is a party or of which any property of Company is subject, except as described in the Official Statement.

11. To our actual knowledge, the information contained in the Official Statement pertaining to Company and the Project (as defined in the Official Statement) under the

headings “THE DISTRICT,” “LAND DEVELOPMENT,” “PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS” and “RISK FACTORS” does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which such statements were made, not misleading. In connection with our participation with the Official Statement, we have not undertaken to independently determine the accuracy, completeness or fairness of the statements contained therein, except as and to the extent provided in this paragraph, and the knowledge available to us is such that we are unable to assume, and do not assume, any responsibility for the accuracy, completeness or fairness of such information. However, on the basis of such participation, we have not acquired any knowledge that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which such statements are made, not misleading.

The opinions set forth above are subject to the following qualifications and limitations: (i) enforceability of the Company Documents may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, arrangement or laws or court decisions affecting the enforcement of creditors’ rights generally; (ii) enforceability of the Company Documents is subject to general principles of equity, whether remedies are sought in equity or at law; (iii) enforceability of the Company Documents is further subject to the qualification that certain waivers, procedures, remedies, indemnities and other provisions of the Company Documents may be unenforceable under or limited by Arizona law; however, such law does not, in our opinion, substantially prevent the practical realization of the benefits intended by the Company Documents; (iv) we are expressing no opinion as to the enforceability of any indemnity provision with respect to any claims or other matters that result from the negligence or misconduct of any indemnitee or the failure of any indemnitee to act in a commercially reasonable manner and (v) we are expressing no opinion as to the compliance of the Company Documents or the offer and sale of the Bonds with any securities law or regulation except as provided in paragraph 11 hereof.

Whenever we indicate that our opinion is based on “our knowledge,” or words of similar import, such opinion is based solely on the current actual knowledge of the firm’s attorneys who have devoted substantive attention to matters related hereto after due inquiry. Except as specifically set forth herein, we have not made any independent investigation, verification, or review of any matters whatsoever and we are relying solely on such specifically stated investigation or review. We express no opinion concerning the legal validity and sufficiency of the acts of any of the other parties to the Company Documents.

We are qualified to practice law in the State of Arizona, and we do not purport to express any opinion herein concerning any law other than the laws of the State of Arizona and, for the limited subject of the corporate authority and corporate existence of Company, the laws of the State of Delaware. Our opinions are as to what the law is or might reasonably be expected to be at the date hereof, and we assume no obligation to revise or supplement this opinion due to any change in the law by legislative action, judicial decision or otherwise. Any opinion as to the enforceability of any document is limited to enforceability as between the original parties thereto.

This opinion is being furnished to you solely for your benefit and only with respect to the captioned Bonds. Accordingly, it may not be relied upon or quoted to any person or entity without, in each instance, our prior written consent.

Respectfully submitted,

ATTACHMENT
INDEMNITY LETTER

November __, 2023

Stifel, Nicolaus & Company, Incorporated
Suite 300
2801 East Camelback Road
Phoenix, Arizona 85016

Board of Directors
Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona)
c/o City of Goodyear, Arizona
1900 N Civic Square
Goodyear, Arizona 85395

Re: Estrella Mountain Ranch Community Facilities District (City of Goodyear,
Arizona) General Obligation Bonds, Series 2023

This Indemnity Letter is delivered by Estrella North LLC, a limited liability company organized and existing pursuant to the laws of the State of Delaware (hereinafter referred to as “Company”), in order to induce Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the “Underwriter”), and Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona), a community facilities district organized and existing pursuant to the laws of the State of Arizona (the “District”), to enter into the Bonds Purchase Agreement, dated even date herewith (hereinafter referred to as the “Purchase Contract”) related to the purchase by the Underwriter and sale by the District of the captioned Bonds (hereinafter referred to as the “Bonds”). Terms which are defined in the Purchase Contract have the meanings ascribed to them therein when used herein.

1. In consideration of the execution and delivery of the Purchase Contract, Company represents and warrants to the Underwriter and the District that:

(a) Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to transact business in the State of Arizona.

(b) As of the date of the Official Statement, the information in the Official Statement pertaining to Company, its affiliates and the Project (as defined in the Official Statement) under the headings “THE DISTRICT,” “LAND DEVELOPMENT,” “PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS” and “RISK FACTORS” (but not the other

information, opinions, assumptions or projections contained therein) is true and correct in all material respects for the purposes for which its use is or was authorized, and such information does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading.

(c) Neither the execution or delivery of this Indemnity Letter or the Standby Contribution Agreement (hereinafter referred to, together, as the “Company Documents”) nor the consummation of any other of the transactions herein contemplated, nor the fulfillment of, or compliance with, the terms hereof, shall contravene the organizational documents of Company or conflict with or result in a breach by Company of any of the terms, conditions or provisions of, or constitute a default by Company under, any bond, debenture, note, mortgage, indenture, agreement or other instrument to which Company is a party or by which it is bound or to which any of the property or assets of Company is subject, or any law or any order, rule or regulation applicable to Company of any court, federal or state regulatory body, administrative agency or other governmental body having jurisdiction over Company or any of the properties or operations of Company, or (except as contemplated by the Company Documents) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of Company under the terms of any such restriction, bond, debenture, note, mortgage, indenture, agreement, instrument, law, order, rule or regulation.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of Company, threatened against Company wherein an adverse decision, ruling or finding would (i) result in any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of Company, or which would materially and adversely affect the properties (taken as a whole) of Company, and which has not been disclosed in the Official Statement, (ii) materially adversely affect the transactions contemplated by the Purchase Contract or the Company Documents or (iii) adversely affect the validity or enforceability of the Company Documents.

(e) Company has the full power and authority to execute and deliver the Company Documents and perform its obligations hereunder and thereunder and engage in the transactions contemplated by the Purchase Contract and the Company Documents, and the Company Documents have been duly authorized by Company and, when executed and delivered by the respective parties thereto, will constitute valid, binding and enforceable obligations of Company except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors’ rights and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

(f) No consent, approval, authorization or other action by any governmental or regulatory authority that has not been obtained is or will be required for the consummation by Company of the transactions contemplated by the Purchase Contract and the Company Documents.

2. Company shall indemnify and hold harmless the Underwriter, the District, the Financial Advisor and, as applicable each director, trustee, partner, member, officer, official,

legal counsel, independent contractor or employee thereof and each person, if any, who controls the Underwriter, the District or the Financial Advisor within the meaning of the Securities Act of 1933, as amended (any such person being herein sometimes called an “Indemnified Party”), for, from and against any and all losses, claims, damages or liabilities, joint or several, (i) to which an Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, to the extent, and only to the extent, such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact pertaining to Company or the Project set forth in the sections identified in the Official Statement in Section 1(b) above or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact pertaining to Company or the Project required to be stated in such section(s) or which is necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading in any material respect, except such indemnification shall not extend to any other statements in the Official Statement and (ii) with respect to an Indemnified Party only, to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from, and only to the extent of, a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission pertaining to Company or the Project, the indemnity provided by Company shall only apply if such settlement is effected with the written consent of Company (which consent shall not be unreasonably withheld). The indemnification obligation of Company hereunder (and/or any defense obligation) shall not extend to any other statements in the Official Statement or to claims based upon the action of any other parties, including the Indemnified Parties, or to such losses, claims, damages or liabilities or defense costs that arise from such other statements in the Official Statement or to claims based upon the action of any other parties, including the Indemnified Parties.

An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be due from Company, notify Company in writing of the commencement thereof. Failure of the Indemnified Party to give such notice shall reduce the liability of Company by the amount of damages attributable to the failure of the Indemnified Party to give such notice to Company, but the omission to notify Company of any such action shall not relieve Company from any liability that it may have to such Indemnified Party otherwise than under this Section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify Company of the commencement thereof, Company may, or, if so requested by such Indemnified Party, shall, participate therein or assume the defenses thereof (to the extent of Company’s portion of such claims, if additional claims are made beyond those for which indemnity is provided hereunder), with counsel satisfactory to such Indemnified Party and Company (it being understood that, except as hereinafter provided, Company shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action or for the cost of the portion of any defense of any additional claims beyond those for which indemnity is provided hereunder), and after notice from Company to such Indemnified Party of an election so to assume the defenses thereof, Company shall not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until Company assumes the defense of any such action at the request of such Indemnified Party, Company shall have the right to participate at its own expense in the defense of any such action. If Company shall not have employed counsel to have charge of the defense of any such

action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to Company (in which case Company shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, reasonable legal and other necessary expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by Company, but only if and to the extent liability is found or based upon a matter for which Company is liable hereunder.

3. All of the representations, warranties, and agreements of Company contained in the Company Documents shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, the District, the Financial Advisor, any controlling person referred to in paragraph 2 hereof or Company or (ii) delivery of and payment for the Bonds.

4. This letter is solely for the benefit of the Underwriter, the District, the Financial Advisor and their successors or assigns, and, to the extent provided in paragraph 2 hereof, each Indemnified Party, and no other person shall acquire or have any right under or by virtue hereof. The terms “successors” and “assigns” as used in this letter shall not include any purchaser, as such purchaser, from the Underwriter of the Bonds.

5. Company shall pay all costs with respect to the issuance and delivery of the Bonds except for the cost of the premium for the Policy.

6. Company consents to the references to Company in the Official Statement.

7. The letter shall be governed by, and construed in accordance with, the laws of the State of Arizona.

[Remainder of page left blank intentionally.]

Respectfully submitted,

ESTRELLA NORTH LLC, a Delaware limited liability company

By: Estrella Partners, LP, a Delaware limited partnership

Its: Sole Member and Manager

By: Goodyear EMR GP, LLC, a Delaware limited liability company

Its: General Partner

By: EMR Harvard LLC, an Arizona limited liability company

Its: Administrative Member

By: Harvard Ventures, Inc., a Nevada corporation

Its: Manager

By:.....

Name:.....

Title:

By:.....

Name:.....

Title:

CONTINUING DISCLOSURE UNDERTAKING

\$____,000

ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023

(CUSIP BASE NUMBER 29758A)

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

Section 1. Definitions.

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

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

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

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

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

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

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

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Contents and Provision of Annual Reports.

(a) (i) **SUBJECT TO ANNUAL APPROPRIATION TO COVER THE COSTS OF PREPARATION AND MAILING THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2024, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.**

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

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

(A) Information of the type in TABLES 2, 3, 4, 6, 7 and 10 of the Official Statement, dated November __, 2023, with respect to the Securities.

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

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

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

Section 3. Reporting of Listed Events.

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

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (vii) Modifications to rights of security holders, if material.
- (viii) Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the securities, if material.
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership or similar events of the obligated person, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.
- (xiii) The consummation of a merger, consolidation or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (xiv) Appointment of a successor or additional trustee or the change of the name of the trustee, if material.

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

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

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

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

Section 5. Amendment or Waiver.

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

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form,

the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. ***IF THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

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

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

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

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

Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

[Signature page follows.]

Dated: December __, 2023

ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)

By
Chairman, Board of Directors

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2023**NEW ISSUE - BOOK-ENTRY-ONLY****RATINGS: See “RATINGS” herein.****INSURANCE: See “BOND INSURANCE” and “RISK FACTORS RELATED TO BOND INSURANCE” herein.**

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District (as defined herein), as mentioned under “TAX EXEMPTION” herein, interest income on the Bonds is excluded from gross income for federal income tax purposes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT” and “BOND PREMIUM” herein.

\$11,000,000*

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023**

*Dated: Date of initial delivery**Due: As shown on the inside front cover page*

The General Obligation Bonds, Series 2023 (the “Bonds”) of Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “District”), will be issued in the form of fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available initially to ultimate purchasers through the book-entry-only system maintained by DTC in amounts of \$5,000 of principal amount or integral multiples in excess thereof due on specified maturity dates. Interest on the Bonds will be paid semiannually on January 15 and July 15 of each year, commencing July 15, 2024*. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants which will remit such payments to the beneficial owners of the Bonds. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM.”

SEE INSIDE FRONT COVER PAGE FOR MATURITY SCHEDULE

The Bonds are authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended, and an election held on December 13, 1999, in and for the District. The Bonds will be issued pursuant to a resolution of the Board of Directors of the District adopted on November 13, 2023, and an Indenture of Trust and Security Agreement, to be dated as of December 1, 2023*, from the District to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Bonds will be payable as to both principal and interest from *ad valorem* taxes to be levied on all taxable property within the boundaries of the District, without limitation as to rate or amount. The Bonds will also be payable from amounts to be paid pursuant to a Standby Contribution Agreement, to be dated as of December 1, 2023* (the “Standby Contribution Agreement”), by and among the District, Estrella North LLC (the “Major Landowner”) and the Trustee. See “SECURITY FOR AND SOURCES OF PAYMENT” herein. The Standby Contribution Agreement will be released under certain circumstances described under “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” and “RISK FACTORS” herein.

Certain of the Bonds will be subject to redemption by the District prior to their stated maturity dates as described under “THE BONDS – Redemption Provisions” herein.*

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

[Insurer Logo]

Proceeds of the sale of the Bonds will be used to finance the acquisition of certain public infrastructure by the District and to pay certain costs of issuance of the Bonds.

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

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

The Bonds will be offered when, as and if issued by the District and received by the underwriter identified below (the “Underwriter”) and subject to the legal opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. Certain legal matters will be passed upon for the District by the counsel to the District, for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona, and for the Major Landowner and its affiliates by their counsel, Berens Blonstein PLC, Scottsdale, Arizona. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about December 14, 2023*.

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

* Subject to change.

\$11,000,000*
ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023

MATURITY SCHEDULE*

Maturity Date (July 15)	Amount	Rate	Yield	CUSIP® ⁽¹⁾ No. 29758A
2024	\$145,000	%	%	
2031	280,000			
2032	660,000			
2033	690,000			
2034	725,000			
2035	765,000			
2036	805,000			
2037	845,000			
2038	890,000			
2039	935,000			
2040	985,000			
2041	1,040,000			
2042	1,090,000			
2043	1,145,000			
\$ ____,000 ____% Term Bond Due 7/15/20__, Yield ____% CUSIP 29758A ____				
\$ ____,000 ____% Term Bond Due 7/15/20__, Yield ____% CUSIP 29758A ____				

* Subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor, the Underwriter, the Major Landowner or their agents or counsel assume responsibility for the accuracy of such numbers.

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)**

BOARD OF DIRECTORS

Joe Pizzillo, *District Chairperson*
Laura Kaino, *District Vice Chairperson*
Sheri Lauritano, *District Board Member*
Wally Campbell, *District Board Member*
Bill Stipp, *District Board Member*
Brannon Hampton, *District Board Member*
Vicki Gillis, *District Board Member*

DISTRICT STAFF

Wynette Reed, *District Manager*
Doug Sandstrom, *District Treasurer*
Darcie McCracken, *District Clerk*

FINANCIAL ADVISOR

Hilltop Securities Inc.
Phoenix, Arizona

BOND COUNSEL

Gust Rosenfeld P.L.C.
Phoenix, Arizona

TRUSTEE

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

REGARDING THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, should be considered in its entirety, and no one subject should be considered less important than another by reason of location in the text. Brief descriptions of Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “District”), the District’s General Obligation Bonds, Series 2023 (the “Bonds”), the hereinafter described Bond Resolution, the Indenture, the Standby Contribution Agreement, the security for the Bonds, the Major Landowner (as defined herein) and other information are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds, the Bond Resolution, the Indenture, the Standby Contribution Agreement and any other documents are qualified in their entirety by reference to such documents, copies of which may be obtained from Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), at 2801 East Camelback Road, Suite 300, Phoenix, Arizona 85016.

The information set forth herein has been obtained from the District, the Major Landowner and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Underwriter or Hilltop Securities Inc. (the “Financial Advisor”). This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions or that they will be realized. The presentation of information, including tables of *ad valorem* tax rates and bonded general obligation indebtedness, in this Official Statement is intended to show recent historical information and, except as expressly stated otherwise, is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District, the Financial Advisor or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

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

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

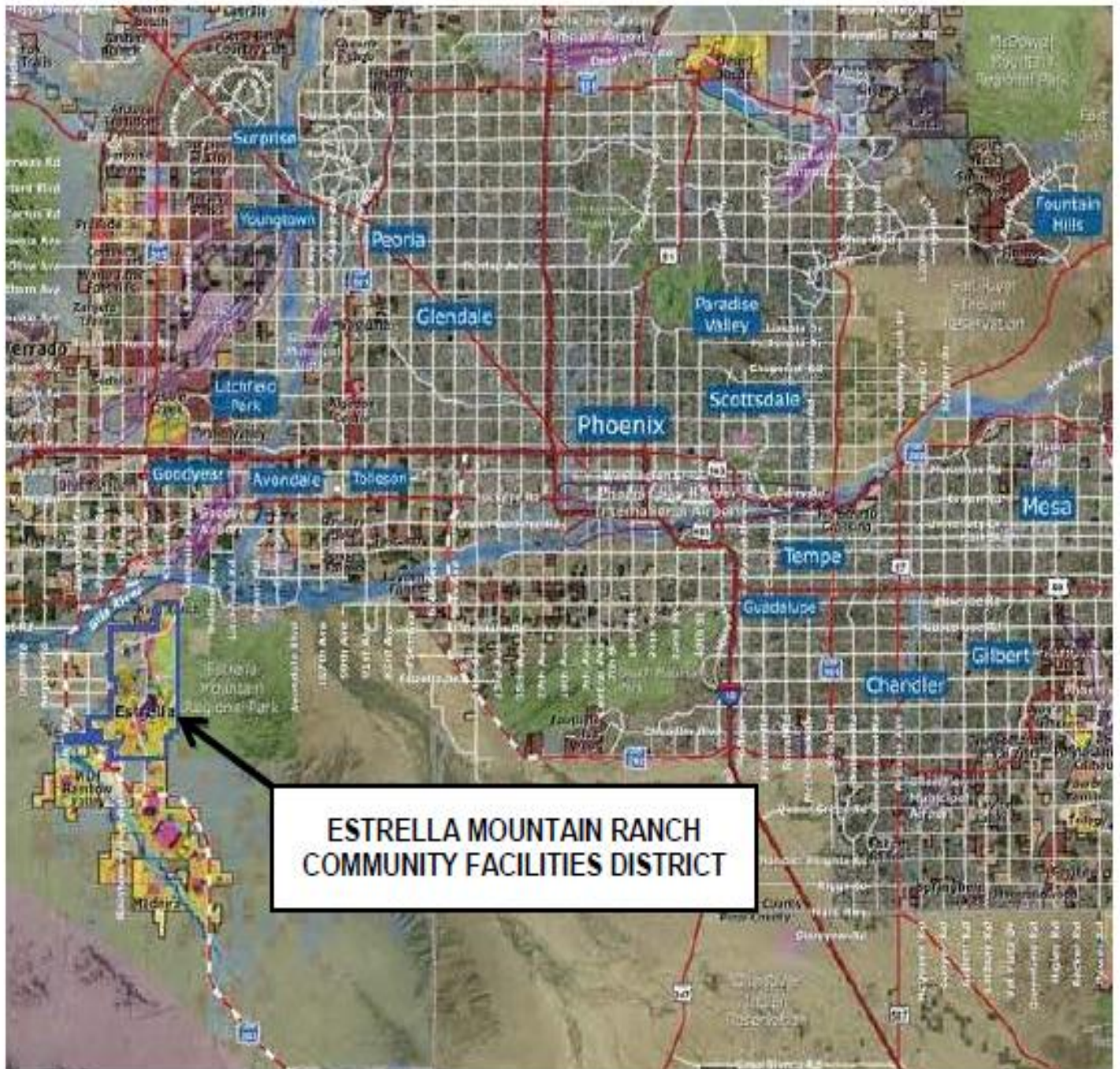
IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL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

[Bond Insurer Disclosure]

TABLE OF CONTENTS

	<u>Page</u>
MAP SHOWING LOCATION OF THE DISTRICT WITHIN METROPOLITAN PHOENIX AREA	(iii)
MAP SHOWING LOCATION OF THE DISTRICT	(iv)
MAP OF THE DISTRICT	(v)
THE DISTRICT	1
THE BONDS	2
Authority and Election	2
General Description	2
Redemption Provisions	2
Registration and Transfer When Book-Entry-Only System Has Been Discontinued	4
SOURCES AND APPLICATIONS OF FUNDS	4
SECURITY FOR AND SOURCES OF PAYMENT	5
General	5
Defeasance	5
Standby Contribution Agreement	5
<i>Ad Valorem</i> Property Taxation in the District	7
OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS	15
Overlapping General Obligation Bonded Indebtedness	15
Additional General Obligation Bonded Indebtedness of the District	17
Additional Overlapping General Obligation Bonded Indebtedness	17
Other Debt of the District	17
LAND DEVELOPMENT	18
The Project	18
Prior Project Ownership	22
Current Project Ownership	23
PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS	24
RISK FACTORS	24
General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences	24
Failure or Inability to Complete Proposed Development	25
Completion of the Public Infrastructure and the Other Infrastructure	25
Sale of Portions of the Land in the District	26
Lack of Availability of Utilities and Water	26
Effect of Valuation of Property	26
Direct and Overlapping Indebtedness	26
Availability of Amounts Pursuant to Standby Contribution Agreement	26
Bankruptcy and Foreclosure Delays	27
Amendment of Documents Referenced	28
Environmental Matters	28
Forward Looking Statements	28
No Review of Filings	28
Risks Related Coronavirus Disease 2019 (“COVID-19”)	28
LITIGATION	29
LEGAL MATTERS	29
FINANCIAL STATEMENTS	30
TAX EXEMPTION	30
ORIGINAL ISSUE DISCOUNT	31
BOND PREMIUM	32
RATINGS	32
BOND INSURANCE	32
RISK FACTORS RELATED TO BOND INSURANCE	32
UNDERWRITING	33
CONTINUING DISCLOSURE	33
FINANCIAL ADVISOR	34
RELATIONSHIPS AMONG PARTIES	34
CONCLUDING STATEMENT	34
APPENDIX A – INFORMATION REGARDING THE CITY OF GOODYEAR, ARIZONA	
APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE	
APPENDIX C – FORM OF STANDBY CONTRIBUTION AGREEMENT	
APPENDIX D – FORM OF LEGAL OPINION OF BOND COUNSEL	
APPENDIX E – FORM OF CONTINUING DISCLOSURE UNDERTAKING	
APPENDIX F – BOOK-ENTRY-ONLY SYSTEM	
APPENDIX G – AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2022	
APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY	

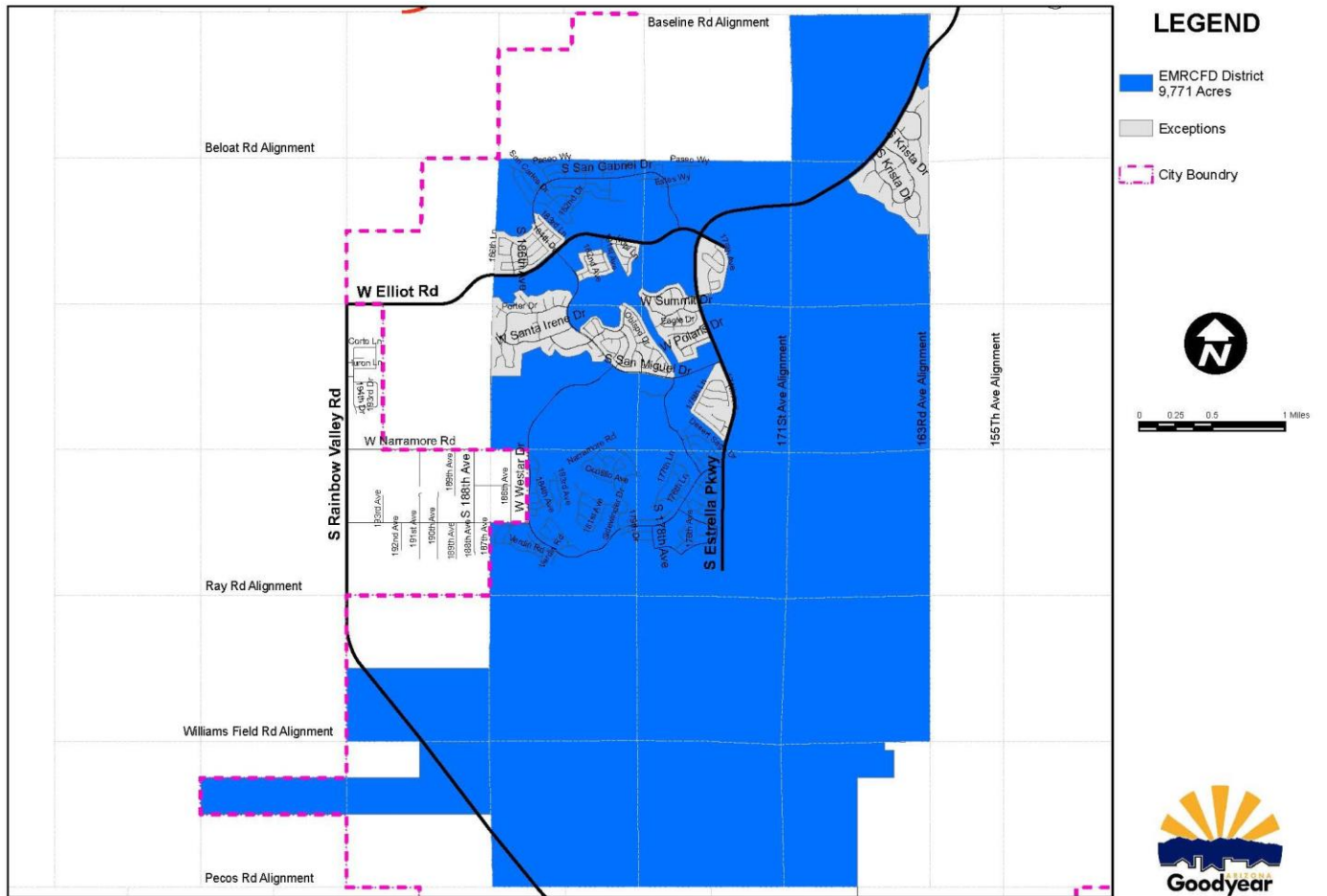
**MAP SHOWING LOCATION OF THE DISTRICT
WITHIN METROPOLITAN PHOENIX AREA**



MAP SHOWING LOCATION OF THE DISTRICT

ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT

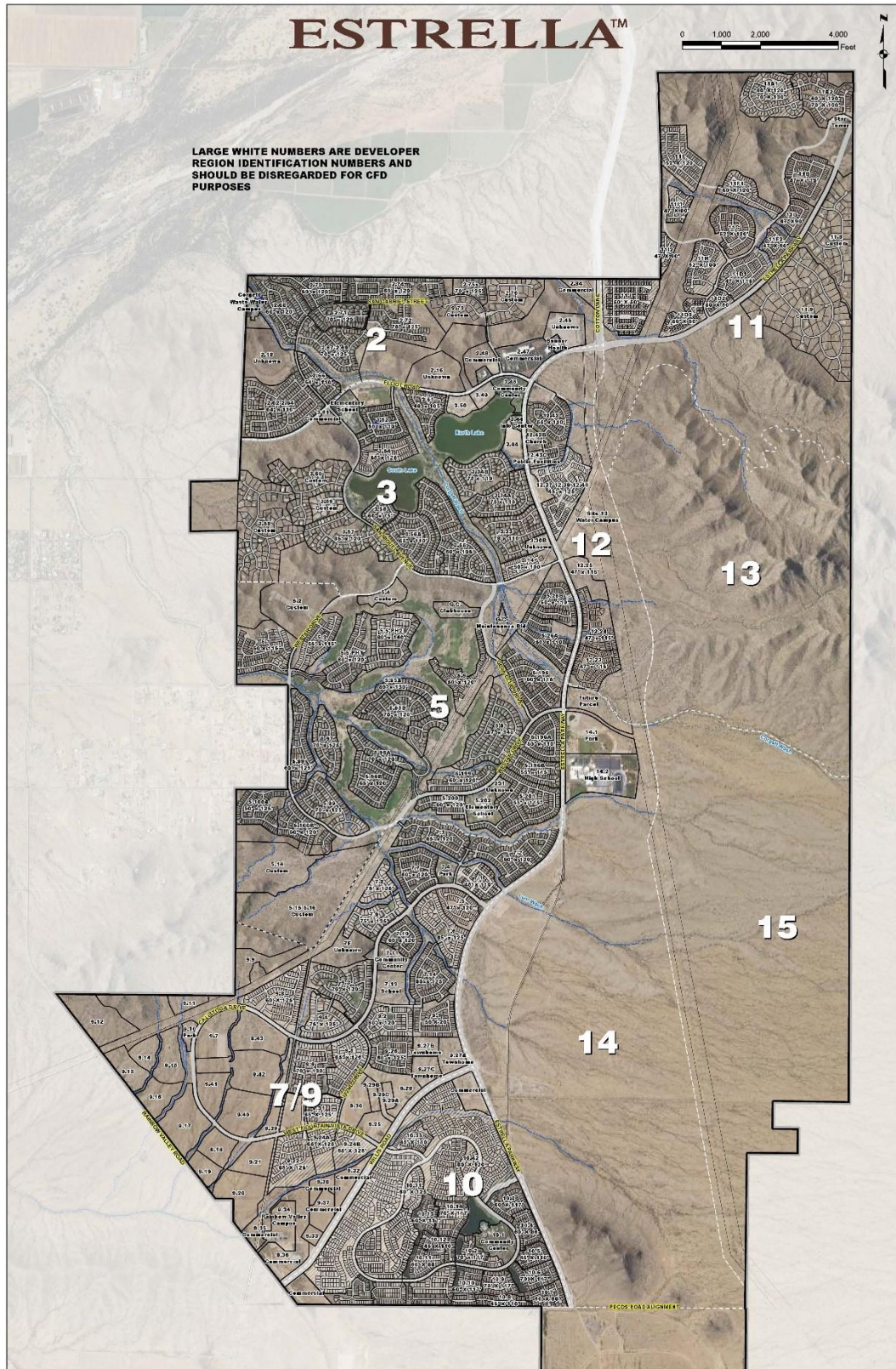
Formed November 22, 1999



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FROM THE CITY OF GOODYEAR GIS

APRIL 2006

MAP OF THE DISTRICT



OFFICIAL STATEMENT

\$11,000,000*

ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA) GENERAL OBLIGATION BONDS, SERIES 2023

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, provides certain information concerning the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) General Obligation Bonds, Series 2023 (the “Bonds”), to be issued in the aggregate principal amount indicated above. Certain capitalized terms not defined in the text of this Official Statement are defined in APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Definitions of Certain Terms.”

THE DISTRICT

Pursuant to the Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the “Enabling Act”), and in response to a petition by SunChase Estrella Limited Partnership, a Delaware limited partnership (“SunChase”), the Mayor and Council (the “City Council”) of the City of Goodyear, Arizona (the “City”), adopted a resolution on November 22, 1999, which formed the District. See APPENDIX A – “INFORMATION REGARDING THE CITY OF GOODYEAR, ARIZONA” hereto for information about the City.

The District encompasses approximately 9,771 acres within the City and is located within the Metropolitan Phoenix Area, approximately 20 miles southwest of downtown Phoenix, generally south of the Gila River, approximately six miles south of Interstate 10 (the “District Land”). See the maps on pages (iii), (iv) and (v) with respect to the location of the District.

See “LAND DEVELOPMENT – Prior Project Ownership” for a discussion of the disposition of the District Land since 1999. See “LAND DEVELOPMENT – Current Project Ownership” for a discussion of the current ownership of the District Land, particularly with respect to Estrella North LLC, a Delaware limited liability company (the “Major Landowner”).

The District is a special purpose, tax levying public improvement district for purposes of the constitution of the State of Arizona (the “State” or “Arizona”) and a municipal corporation for certain purposes of the laws of the State. Except as otherwise provided in the Enabling Act, the District is considered to be a municipal corporation and political subdivision of the State, separate and apart from the City. Members of the City Council serve, ex officio, as members of the Board of Directors of the District (the “Board”), and the City Manager of the City serves as the District Manager.

The District has provided, pursuant to the terms of certain development agreements among the City, the District and certain of the owners of land within the District and certain related entities, financing for the acquisition of certain public infrastructure necessary for development of the District Land. See “LAND DEVELOPMENT.” The District has the authority, with voter approval, to issue general obligation bonds payable from *ad valorem* taxes levied on all taxable property within the boundaries of the District, without limitation as to rate or amount, to finance, among other things, the acquisition costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds. The District also levies an *ad valorem* property tax of \$0.30 per \$100 of Net Limited Assessed Property Value (as defined herein), the proceeds of which are used to pay a portion of the operation and maintenance expenses of the District and of the public infrastructure financed by the District (the “Operation and Maintenance Tax”).

* *Subject to change.*

THE BONDS

Authority and Election

The Bonds are authorized pursuant to the Enabling Act and an election held on December 13, 1999 (the “Election”). The Bonds will be the fourth series of bonds issued pursuant to the authorization approved at the Election, and, after issuance of the Bonds, \$169,195,000* principal amount of general obligation bonds of the District will remain authorized but unissued. In addition, certain uses of net premium on general obligation bonds of the District reduce the principal amount of authorized but unissued general obligation bonds of the District. Additional indebtedness could be authorized for the District in the future pursuant to other elections.

The Bonds will be issued pursuant to a resolution adopted by the Board on November 13, 2023 (the “Bond Resolution”), and an Indenture of Trust and Security Agreement, to be dated as of December 1, 2023* (the “Indenture”), from the District to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Bonds are being issued in order to (i) finance a portion of the cost for the District to acquire the Public Infrastructure Financed by the Bonds (as defined herein) from the Major Landowner, and (ii) pay certain costs of issuance of the Bonds. See “PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS.”

See “SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District” and “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District.”

General Description

The Bonds will be dated the date of their initial delivery, and will mature and bear interest at the rates as set forth on the inside front cover page of this Official Statement.

Interest on the Bonds will be paid semiannually on January 15 and July 15 of each year, commencing July 15, 2024* (each such date being referred to herein as an “Interest Payment Date”). The Bonds will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the date of their initial delivery, calculated on the basis of a 360-day year of twelve 30-day months. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM.” The District has chosen the close of business on the last day of the calendar month (other than a Saturday, Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally (a “Business Day”)) next preceding the applicable Interest Payment Date, or if such day is not a Business Day, the previous Business Day, as the record date for the Bonds (the “Record Date”).

The principal of, redemption price for and interest on the Bonds will be payable when due to Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the securities depository of the Bonds for a book-entry-only system (the “Book-Entry-Only System”). The Bonds will be available initially to ultimate purchasers under such system in amounts of \$5,000 of principal of a series or integral multiples in excess thereof due on specified maturity dates. No document of any nature whatsoever need be surrendered as a condition to payment of the principal of and interest on the Bonds. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM.”

Redemption Provisions*

Optional Redemption. The Bonds maturing before or on July 15, 20__ will not be subject to redemption prior to their maturity. The Bonds maturing on or after July 15, 20__ will be subject to redemption prior to maturity, at the option of the District, in whole or in part from maturities selected by the District on July 15, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond redeemed, plus interest accrued to the date fixed for redemption, but without premium.

* Subject to change.

Mandatory Redemption. The Bonds maturing on July 15 of the following years will be redeemed from funds of the District prior to maturity on July 15 of the following years and in the following principal amounts, upon payment of the redemption price equal to the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the redemption date, but without premium:

Term Bonds due July 15, 20__

<u>Year</u>	<u>Principal Amount</u>
	\$ __,000
	__,000
	__,000
	__,000
	__,000 (maturity)

Term Bonds due July 15, 20__

<u>Year</u>	<u>Principal Amount</u>
	\$ __,000
	__,000
	__,000
	__,000
	__,000 (maturity)

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

Notice of Redemption. So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM.” If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Trustee not more than 60 nor less than 30 days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

Notice of any redemption will also be provided as set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If monies for the payment of the redemption price and accrued interest are not held in separate accounts by or on behalf of the District or the Trustee prior to sending the notice of redemption, such redemption shall be conditional on such monies being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

Effect of Redemption. On the date designated for redemption, the Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Bonds or portions thereof, and, if monies for payment of the redemption price are held under the Indenture, interest on such Bonds or portions thereof to be redeemed will cease to accrue, such Bonds or portions thereof will cease to be entitled to any benefit or security under the Indenture, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds or portions thereof will be deemed paid and no longer outstanding. DTC’s

practice is to determine by lot the amount of each Direct Participant's (as defined in APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM") proportionate share that is to be redeemed.

Redemption of Less than All of a Bond. The District may redeem any amount that is included in a Bond that is subject to prior redemption in a denomination equal to or in excess of, but divisible by, \$5,000. In the event of a partial redemption, the Bond will be redeemed in accordance with DTC's procedures. In the event of a partial redemption after the Book-Entry-Only System is discontinued, the registered owner will submit the Bond for partial redemption and the Trustee will make such partial payment and will cause to be issued a new Bond in a principal amount that reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

Registration and Transfer When Book-Entry-Only System Has Been Discontinued

If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Trustee and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bond or Bonds will be authenticated, upon surrender to the Trustee of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Trustee's requirements for transfer are met. The Trustee may, but is not required to, transfer or exchange any Bonds during the period from the Record Date to and including the respective Interest Payment Date. The Trustee may, but is not required to, transfer or exchange any Bonds that have been selected for prior redemption.

The transferor will be responsible for all fees, taxes and any other costs relating to the transfer of ownership of individual Bonds.

SOURCES AND APPLICATIONS OF FUNDS

Sources

Par Amount of Bonds	\$11,000,000.00*
[Net] Original Issue Premium (a)	
Major Landowner Contribution	
Total	

Applications

Deposit to Acquisition Fund	
Payment of Costs of Issuance (b)	
Total	

* Subject to change.

(a) [Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.]

(b) Will include premium on the Policy (as defined herein) and compensation and costs of the Underwriter (as defined herein) with respect to the Bonds.

SECURITY FOR AND SOURCES OF PAYMENT

General

The Board will annually levy and cause an *ad valorem* tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the District, sufficient, together with any amounts from the sources described in the Enabling Act and available pursuant to the Indenture, including pursuant to the hereinafter defined Standby Contribution Agreement, to pay Debt Service (whether at maturity or prior redemption) when due, such *ad valorem* taxes to be unlimited as to rate or amount. Such taxes are to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. Amounts derived from the levy of such tax when collected constitute funds to pay the debt service on the outstanding general obligation bonds of the District, including Debt Service with respect to the Bonds, and will be kept separately from other funds of the District. With respect to *ad valorem* property taxes, the outstanding general obligation bonds of the District and the Bonds will be payable from such taxes on the same basis as issues of general obligation bonds of the District that may be issued in the future. In addition to the levy of *ad valorem* property taxes for the payment of Debt Service on the Bonds, the Board also levies the Operation and Maintenance Tax. See TABLE 7 herein for information regarding the outstanding general obligation bonds of the District. See also “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING TAXES – Additional General Obligation Bonded Indebtedness of the District.”

The Bonds will also be payable from amounts paid pursuant to a Standby Contribution Agreement, to be dated as of December 1, 2023* (the “Standby Contribution Agreement”), by and among the District, the Major Landowner and the Trustee, which amounts will be paid to the Trustee at the times and for the periods set forth in the Standby Contribution Agreement. The Standby Contribution Agreement will be released under certain circumstances described under the heading “- Standby Contribution Agreement” below. It is expected that, based on anticipated development as described herein under the heading “LAND DEVELOPMENT,” the amount of *ad valorem* taxes expected to be collected from year to year at a tax rate of \$1.00 per \$100 of Net Limited Assessed Property Value on all taxable property within the boundaries of the District is expected to be sufficient alone to pay Debt Service. See “- Standby Contribution Agreement” below and APPENDIX C – “FORM OF STANDBY CONTRIBUTION AGREEMENT.”

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

Defeasance

Pursuant to the Indenture, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of monies or obligations issued or guaranteed by the United States of America (“Defeasance Obligations”) or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Indenture or payable from *ad valorem* taxes on taxable property in the District, and the owners of such Bonds shall thereafter be entitled to payment only from the monies and Defeasance Obligations deposited in trust.

Standby Contribution Agreement

Pursuant to the Standby Contribution Agreement, before or on March 15 in each year prior to release of the Standby Contribution Agreement, the Major Landowner will be obligated to deposit with the Trustee, the difference between

* Subject to change.

Debt Service on the Bonds in the succeeding calendar year and the tax revenues expected to be received by the District at a tax rate of \$1.00 per \$100 of Net Limited Assessed Property Value on all taxable property within the boundaries of the District (or such lesser rate as may be permitted) assuming a 95% property tax collection rate. See Section 2.1(A) of the Standby Contribution Agreement in APPENDIX C – “FORM OF STANDBY CONTRIBUTION AGREEMENT.” The Major Landowner will also be obligated to make additional payments prior to each Interest Payment Date if there continues to be a shortfall between the Debt Service due on the next payment date and the amount in the Bond Fund. See Section 2.1(B) of the Standby Contribution Agreement in APPENDIX C – “FORM OF STANDBY CONTRIBUTION AGREEMENT.” The obligation of the Major Landowner to pay is subject only to the condition that for each year the District levies the tax rate described above. **See “RISK FACTORS – Availability of Amounts Pursuant to Standby Contribution Agreement.”**

Pursuant to the Indenture, the Standby Contribution Agreement will be released by the District upon receipt of proof of satisfaction of each of the following conditions:

A. Payment or the provision for payment in full of all outstanding Bonds; or

B. Evidence satisfactory to an authorized representative of the District that, for any consecutive two fiscal years of the District (the first of which shall be no sooner than the first fiscal year of the District in which principal of the Bonds has started to be amortized), a tax rate of \$1.00 per \$100 of Net Limited Assessed Property Value of property within the boundaries of the District would have been sufficient to pay the maximum annual debt service on the Bonds and the Outstanding Parity Bonds for any subsequent fiscal year of the District during which any Bonds are Outstanding plus the historical annual average of amounts necessary to pay those District Administrative Expenses relating to the Bonds and the Outstanding Parity Bonds for each such fiscal year of the District, as such term is defined in Article 7 of the Development Agreement. For property within the boundaries of the District to be eligible for inclusion in such determination, the property either (1) must be owned by persons or entities other than the Major Landowner or any entity owned or controlled (as such term is used in the federal Securities Act of 1933, as amended) by the Major Landowner for each such fiscal year of the District or (2) if used for commercial purposes, must have been fully vertically improved for a period of not less than two years and such vertical improvements must be functionally operational for their intended purposes, e.g., leased or available for lease to persons or entities other than the Major Landowner or any person or entity owned or controlled by the Major Landowner or constituting one or more operating businesses of the Major Landowner or any person or entity owned or controlled by the Major Landowner (e.g., a golf course and associated facilities), as reasonably determined by an authorized representative of the District. The requisite evidence shall consist of written evidence, prepared by an authorized representative of the District upon a written request of the Major Landowner, that is based upon the application of such secondary tax rate in light of:

(1) the actual Net Limited Assessed Property Value of the eligible property within the boundaries of the District for each such fiscal year of the District; and

(2) the tax delinquency factor equal to the greater of 5% or the historic, average annual percentage delinquency factor for the District as of each such fiscal year of the District.

C. Written approval by the District, which shall not be withheld unreasonably.

If and when released as provided above, no additional amounts will be paid pursuant to the Standby Contribution Agreement for Debt Service on the Bonds.

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

Ad Valorem Property Taxation in the District

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

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

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

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

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

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

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes. See “Primary Taxes” and “Secondary Taxes” below.

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

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

TABLE 1

Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2019	2020	2021	2022	2023
Mining, utilities, commercial and industrial (b)	18%	18%	18%	17.5%	17%
Agricultural and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (c)	15	15	15	15	14

- (a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.
- (b) The assessment ratio for this property classification will decrease to 16.5% for tax year 2024, 16% for tax year 2025, 15.5% for tax year 2026 and 15% for each tax year thereafter.
- (c) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Primary Taxes. Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). "Net Limited Assessed Property Value" is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

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

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

Secondary Taxes. Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments.

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

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

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

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

TABLE 2

**Property Taxes Levied and Collected (a)
Estrella Mountain Ranch Community Facilities District**

Fiscal Year	District Tax Rate	Adopted District Tax Levy	Adjusted District Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year		Adjusted District Tax Levy as of 8/31/2023	Cumulative Collections to August 31, 2023	
				Amount	% of Adj. Levy		Amount	% of Adj. Levy
2023/24	\$ 1.3000	\$ 2,159,462	(b)	(b)	(b)	\$ 2,159,269	\$ 5,024	0.23 %
2022/23	1.3000	1,919,869	1,918,880	1,904,975	99.28 %	1,918,880	1,910,917	99.59
2021/22	1.3000	1,742,691	1,742,496	1,728,583	99.20	1,742,332	1,742,298	100.00
2020/21	1.3000	1,544,706	1,544,190	1,531,867	99.20	1,544,028	1,544,011	100.00
2019/20	1.3000	1,361,888	1,361,792	1,344,059	98.70	1,361,644	1,361,626	100.00

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

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

Source: *Secured Levy Report* through August 31, 2023, Office of the Treasurer of the County.

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

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

It is anticipated that the District's semiannual payments of Debt Service with respect to the Bonds will be funded with installments of tax payments collected on or about the immediately preceding tax payment date together with any

funds available from any other sources, including amounts, if any, available from the Standby Contribution Agreement. If, for any reason, a material portion of the *ad valorem* property taxes due and payable to the District are not paid in a timely manner, or payments due pursuant to the Standby Contribution Agreement are not paid when due, the payment of Debt Service could be delayed. It cannot be determined with any certainty when delinquent *ad valorem* property taxes could be collected and available for the payment of Debt Service with respect to the Bonds and what impact such delay could have on the secondary market for the Bonds. **See “RISK FACTORS - Availability of Amounts Pursuant to Standby Contribution Agreement.”**

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

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

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

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

TABLE 3

**Net Limited Assessed Property Value by Property Classification
Estrella Mountain Ranch Community Facilities District**

Class	2023/24	2022/23	2021/22	2020/21	2019/20
Commercial, industrial, utilities and mines	\$ 9,373,658	\$ 8,487,542	\$ 8,037,122	\$ 7,272,094	\$ 7,852,084
Agricultural and vacant	10,983,440	10,315,268	9,589,468	9,350,586	9,119,556
Residential (owner occupied)	110,794,443	98,481,242	88,380,245	74,574,599	62,435,411
Residential (rental)	34,976,426	30,397,622	28,045,888	27,625,794	25,353,173
Total (a)	\$ 166,127,966	\$ 147,681,674	\$ 134,052,722	\$ 118,823,073	\$ 104,760,225

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

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

See also in this respect the discussion under the subheading “LAND DEVELOPMENT.”

TABLE 4

**Net Limited Assessed Property Value of Major Taxpayers
Estrella Mountain Ranch Community Facilities District**

Major Taxpayer (a)	2023/24 Net Limited Assessed Property Value	As % of 2023/24 Net Limited Assessed Property Value
Estrella North LLC	\$ 15,854,844	9.54 %
KDCNC LLC	1,066,379	0.64
AV Homes of Arizona LLC	844,863	0.51
Safeway-Goodyear AZ LLC	816,240	0.49
Broadstone BNR Arizona LLC	419,651	0.25
Toll Brothers AZ Construction Company	326,491	0.20
Acorn Hills Arizona LLC	310,352	0.19
JSAMZ LLC	252,062	0.15
Nuccia Investments LLC	249,033	0.15
Willrain 526 LLC	249,028	0.15
	<u>\$ 20,388,943</u>	<u>12.27 %</u>

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

Source: The Assessor of the County.

See "RISK FACTORS - General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences."

TABLE 5

**Comparative Net Limited Assessed Property Values
Estrella Mountain Ranch Community Facilities District**

Fiscal Year	Estrella Mountain Ranch Community Facilities District	City of Goodyear	Maricopa County	State of Arizona
2023/24	\$ 166,127,966	\$ 1,447,838,835	\$ 54,722,310,149	\$ 83,026,530,244
2022/23	147,681,674	1,293,848,816	51,575,018,189	78,405,598,978
2021/22	134,052,722	1,170,620,728	48,724,126,672	74,200,360,570
2020/21	118,823,073	1,026,917,731	45,704,969,813	69,914,763,468
2019/20	104,760,225	919,806,567	43,194,326,395	66,157,223,639

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

TABLE 6

**Estimated Net Full Cash Value History
Estrella Mountain Ranch Community Facilities District**

Fiscal Year	Estimated Net Full Cash Value (a)
2023/24	\$ 2,651,239,659
2022/23	1,893,340,211
2021/22	1,691,030,788
2020/21	1,453,301,205
2019/20	1,244,157,202

(a) *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District. The Full Cash Value of the District for fiscal year 2023/24 is \$2,652,486,356.*

Source: *The Assessor of the County.*

General Obligation Bonded Indebtedness Outstanding and to be Outstanding. The following table lists the general obligation bonded indebtedness of the District that will be outstanding after issuance of the Bonds:

TABLE 7

<u>Issue Series</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity Date (July 15)</u>	<u>Balance Outstanding and to be Outstanding</u>
2017	\$ 14,050,000	Refunding	2031	<u>\$ 6,985,000</u>
Total General Obligation Bonded Debt Outstanding				\$ 6,985,000
Plus: The Bonds				<u>11,000,000 *</u>
Total General Obligation Bonded Debt Outstanding and to be Outstanding				<u><u>\$ 17,985,000 *</u></u>

* *Subject to change.*

[Remainder of page left blank intentionally.]

Annual Debt Service Requirements of General Obligation Bonded Indebtedness To Be Outstanding. The District will have the following estimated annual debt service requirements after the issuance of the Bonds:

TABLE 8

Schedule of Estimated Annual Debt Service Requirements (a)

Fiscal Year	Bonds Outstanding		The Bonds		Total Annual Debt Service Requirements
	Principal	Interest	Principal	Interest (b)	
2023/24	\$ 840,000	\$ 257,300	\$ 145,000	\$ 331,541	(c)\$ 1,573,841
2024/25	875,000	223,700		558,413	1,657,113
2025/26	920,000	179,950		558,413	1,658,363
2026/27	950,000	147,750		558,413	1,656,163
2027/28	985,000	119,250		558,413	1,662,663
2028/29	1,015,000	87,238		558,413	1,660,650
2029/30	1,050,000	54,250		558,413	1,662,663
2030/31	350,000	17,500	280,000	558,413	1,205,913
2031/32			660,000	544,413	1,204,413
2032/33			690,000	511,413	1,201,413
2033/34			725,000	476,913	1,201,913
2034/35			765,000	440,663	1,205,663
2035/36			805,000	400,500	1,205,500
2036/37			845,000	358,238	1,203,238
2037/38			890,000	313,875	1,203,875
2038/39			935,000	267,150	1,202,150
2039/40			985,000	218,063	1,203,063
2040/41			1,040,000	166,350	1,206,350
2041/42			1,090,000	111,750	1,201,750
2042/43			1,145,000	57,250	1,202,250
	<u>\$ 6,985,000</u>		<u>\$11,000,000</u>		

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

(b) Interest is estimated.

(c) The first interest payment on the Bonds will be due on July 15, 2024*. Thereafter, interest payments will be made semiannually on January 15 and July 15 until maturity or prior redemption.

* Subject to change.

OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS

Overlapping General Obligation Bonded Indebtedness

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

TABLE 9

Direct and Overlapping Jurisdiction	2023/24 Net Limited Assessed Property Value	Net Outstanding General Obligation Bonded Debt (b)	Proportion Applicable to the District (a)		2023/24 Combined Primary and Secondary Tax Rates Per \$100 Net Limited Assessed Property Value
			Approximate Percent	Net Amount	
State of Arizona	\$83,026,530,244	None	0.20 %	None	None
Maricopa County (c)	54,722,310,149	None	0.30	None	\$ 1.4149
Maricopa County Community College District	54,722,310,149	\$ 87,320,000	0.30	\$ 265,089	1.1388
Maricopa County Special Health Care District	54,722,310,149	574,205,000	0.30	1,743,192	0.2716
City of Goodyear	1,447,838,835	141,340,000	11.47	16,217,638	1.7350
Buckeye Union High School District No. 201	1,064,942,169	61,085,000	15.60	9,529,087	2.9938
Western Maricopa Education Center District No. 402	20,761,536,409	114,930,000	0.80	919,637	0.1807
Liberty Elementary School District No. 25	422,757,102	48,655,000	39.30	19,119,622	4.0943
Estrella Mountain Ranch Community Facilities District	166,127,966	17,985,000 * (d)	100.00	17,985,000 * (d)	1.3000
				<u>\$ 65,779,267</u>	

* Subject to change.

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

(b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County and City improvement districts, as the obligations of these districts are presently being paid from special assessments against property within the various improvement districts.

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

<u>Overlapping Jurisdiction</u>	<u>General Obligation Bonds Authorized but Unissued</u>
Liberty Elementary School District No. 25	\$ 3,270,000 (e)
City of Goodyear	44,446,616
The District	169,195,000 (f)*

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

- (c) *The County's tax rate includes the \$0.1400 tax rate of CAWCD, the \$0.1536 tax rate of the Maricopa County Flood Control District, the \$0.0488 tax rate of the Maricopa County Free Library and the \$0.0031 tax rate of the Maricopa County Fire District contribution. It should be noted that the County Flood Control District does not levy taxes on personal property.*
- (d) *Includes the Bonds. In addition to the rate for Debt Service on the Bonds, the District levies a tax of \$0.30 per \$100 of Net Limited Assessed Property Value for the Operation and Maintenance Tax. Does not include special assessment revenue bonds outstanding. See "Other Debt of the District" herein.*
- (e) *Liberty Elementary School District No. 25 is planning to sell and issue its remaining authorized but unissued general obligation bonds in a transaction scheduled to close in November 2023.*
- (f) *Reflects reduction in authorization approved at Election caused by issuance of the Bonds.*

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

* Subject to change.

Additional General Obligation Bonded Indebtedness of the District

In addition to outstanding general obligation bonds of the District described in TABLE 7 and the Bonds, the District retains the right to issue, in accordance with the procedures set forth in the Enabling Act, additional series of general obligation bonds payable from *ad valorem* taxes. See “SECURITY FOR AND SOURCES OF PAYMENT – *Ad Valorem* Property Taxation in the District – General Obligation Bonded Indebtedness Outstanding and to be Outstanding.” See also “RISK FACTORS – Direct and Overlapping Indebtedness.”

The Enabling Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the District are pledged will not exceed 60 percent of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure owned or to be acquired by the District with the proceeds of the bonds. (Based solely on the Full Cash Value of the District as reported by the County Assessor, the Board has determined that issuance of the Bonds will meet the test set forth above. See “SECURITY FOR AND SOURCES OF PAYMENT – *Ad Valorem* Property Taxation in the District – Full Cash Value.”)

Pursuant to the Election, the District was authorized to incur general obligation bonded indebtedness in an amount not to exceed \$200,000,000 and will have \$169,195,000* of such amount remaining after issuance of the Bonds in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs. Additional indebtedness could be authorized for the District in the future pursuant to other elections.

Additional Overlapping General Obligation Bonded Indebtedness

The District has no control over the amount of additional indebtedness payable from taxes on all or a portion of the property within the District that may be issued in the future by other political subdivisions, including but not limited to the City, the County, Buckeye Union High School District No. 201, Liberty Elementary School District No. 25, Western Maricopa Education Center District No. 402 of Maricopa County, Arizona, Maricopa County Community College District or other entities having jurisdiction over all or a portion of the land within the District. Additional indebtedness could be authorized for such overlapping jurisdictions in the future. See “RISK FACTORS – Direct and Overlapping Indebtedness.”

Other Debt of the District

To finance costs to acquire certain public infrastructure for development of land in the District, the District has issued Special Assessment Revenue Bonds with the series designations, in principal amounts on the dates, with acreages of land within the District assessed to pay debt service, with the assessment district numbers and with amounts assessed per lot as described in the table below. All of the infrastructure financed with such bonds has been or will be dedicated to the City.

TABLE 10

Series Designation	Original Principal Amount	Date Issued	Assessment District	Final Maturity Date (July 1)	Total Outstanding
2015	\$ 4,980,000	03/19/2015	Montecito AD No. 2	2039	\$ 3,717,000
2018	1,785,000	01/25/2018	Golf Village AD No. 1	2024	173,000
2018	1,985,000	01/25/2018	Desert Village	2026	709,000
2018	5,329,000	01/25/2018	Montecito AD No. 1	2031	3,341,000
2018	4,789,000	01/25/2018	Golf Village AD No. 2	2030	2,807,000
2019	6,913,000	04/26/2019	Lucero AD No. 1	2043	6,141,000
2021	598,000	10/21/2021	Montecito AD No. 3	2046	570,000
2023	4,429,000	02/02/2023	Lucero AD No. 2	2046	4,429,000

* Subject to change.

Other series of assessment bonds payable solely from and secured by special, separate funds established and maintained by the District from installments due with respect to certain other special assessments may be issued by the District in the future.

The term “special assessments” as used hereinabove refers to the assessments levied and assessed by the District in the related assessment area that encompasses portions of the District, each of which would constitute a first lien on the parcel so levied and assessed, subordinate and subject only to general property taxes (including that for the Bonds) and prior special assessments. If a lot owner fails to pay an assessment installment when due, the lot can be offered for sale by the District for the amount of the assessment together with interest, costs and penalties. Neither the District nor the City is obligated to bid at the sale. The lien for the property taxes levied to pay the Bonds is senior to the lien of such assessments; however, the lien for such assessments is not extinguished by foreclosure with regard to taxes. There can be no assurance that additional amounts of such bonds payable from special assessments will not be issued in the future, increasing the amount of liens on property in the District for such purposes. **See “RISK FACTORS - Direct and Overlapping Indebtedness.”**

LAND DEVELOPMENT

The information contained in this section relates to and has been obtained from the Major Landowner, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

The Project

Introduction. The project consists of over 20,000 acres, of which 9,771 acres are the District Land (the “Project”). Located south of the Gila River, the Project was annexed into the City in 1986 and acquired by SunChase in 1994. Thereafter the ownership of the Project changed as described below under the heading “Current Project Ownership.” Initial entitlement efforts began with the preliminary planned area development (“PAD”) approved by the City in 1986. Over the years, as revisions and updates were made to the development strategy, a number of amendments have been submitted and approved in order to refine entitlements and associated zoning. Most of the master planned community, including most of the District, has been the subject of some form of PAD zoning since the time of its annexation.

The current conceptual master plan for the Project is dated 2007 (the “Current Conceptual Master Plan”) and provides for the development of several separate “communities” within the Project, each containing a mixture of planned land uses and densities. The Current Conceptual Master Plan conforms to the City’s current General Plan for the mixed use, master planned community known as Estrella Mountain Ranch. The Current Conceptual Master Plan is revised periodically to reflect changes in market conditions, planning ideas, political and economic environments, costs and other factors, and the Major Landowner is presently studying changes to the Current Conceptual Master Plan. The number of acres devoted to each particular type of land use may ultimately vary from those presented in the following table. The Current Conceptual Master Plan is expected to include the following land uses:

TABLE 11**LAND USES AT BUILD OUT**

<u>Type of Land Use</u>	<u>Gross Acres</u>
Residential	10,768
Commercial	1,272
Schools	565
Campus	93
Civic/Public/Institutional	526
Worship	53
Open Space	4,031
Roadway	1,460
Parks	592
<u>Golf Courses</u>	<u>690</u>
Total Acreage	<u>20,050</u>

Source: The Major Landowner.

A number of major arterial and collector roadways throughout the Project have been completed and dedicated to the City, including Estrella Parkway, Hillside Drive, Elliot Road, San Gabriel Drive, San Miguel Avenue, Golf Club Drive, Calistoga Drive (Phases 1, 2 and 3-1), West Mountain Vista Drive Phase 1, 182nd Drive and Westar Drive. Water lines, sewer lines, utilities, streetlights and landscaping associated with these roadways have also been completed and dedicated to the City. Several private community amenities have been constructed within the Project, which, although not included in the District, will be available to all residents of the District. The private community amenities include the following:

- A public 18-hole championship golf course, clubhouse and related facilities.
- Bike paths.
- Natural trail system.
- North and South Lakes which are artificial lakes that were built in the 1980's by the original developer of the Project. The surface area of the lakes is approximately 72 acres. The current source of water for the lakes is groundwater from wells located within the Project, as well as treated effluent from the Corgett Treatment Facility and the Rainbow Valley Treatment Facility.
- North Lake amenities include Starpointe Residents Club, a 24,300 square foot facility including fitness, a youth club and outside basketball court, a café, multipurpose meeting facilities, a board room and expansive areas for gathering. Amenities also include StarSplash waterpark, which includes a 12,000 square foot play pool, a heated lap pool, two slides and "Big Dipper" water toy. Other lakeside amenities include a boathouse, pump station, dock with ramp, sundial, pedestrian bridge, cooking ramada and a floating fountain.
- South Lake Amenities include ramadas with picnic tables and barbecue grills, 2,500 square foot open pavilion, tennis court, maintenance building, horseshoe pits, sand volleyball courts, pickleball court, basketball court, playground area with equipment and restroom.
- Bougainvillea Park which consists of approximately 4.7 acres, includes a basketball court, tennis courts, a tot-lot, a sand volleyball court, ramadas and grass area for soccer and baseball and restrooms.

- 18,500 square foot residents club at the Montecito Community called Presidio. This facility includes management offices, café/wine bar, exercise area, gathering room, swimming pool and splash pad, a ramada and an event lawn.

The construction and sale of residential product in portions of the Project outside the boundaries of the District has been in process since the late 1980's. The Major Landowner estimates close to 7,500 homes have been built within the Project as of June 2022. The number of active builders within the Project varies from time to time, with close to 20 different production builders having constructed homes within the Project to date. There are currently nine different production neighborhoods in the Project offering homes for sale to retail customers. In addition, CantaMia by Taylor Morrison Homes (CantaMia), which opened in February 2010, is a private gated community for those 55 years and older. CantaMia's 30,500 square foot Village Center features an indoor pool, outdoor resort-style pool and lakes as well as a state of the art fitness center, demonstration kitchen and library. CantaMia is planned for 1,716 units.

Mountain Ranch Marketplace, located in the Project, the first LEED Gold certified shopping center in Arizona opened in 2010. It is anchored by a Safeway grocery store and provides several other neighborhood services including a dentist, Chase Bank, Walgreens, a day care center, an urgent care facility, McDonald's, Taco Bell, Subway and a bagel shop. Mountain Ranch Medical Commons, located in the Project, is home to Banner Health and provides medical care and other health services at a 13,500 square foot Class A medical office facility.

The base prices for new homes in the Project currently range from approximately \$350,000 to \$700,000 for a standard production home.

The following is a summary of historical housing market activity at the Project:

TABLE 12
HISTORICAL MARKET ACTIVITY IN THE PROJECT

<u>Year</u>	<u>Housing Starts/Permits</u>	<u>Builder Home Sales</u>	<u>Builder Home Closings</u>
2016	296	270	261
2017	428	400	349
2018	447	490	429
2019	505	452	397
2020	588	645	522
2021	557	442	421
2022	429	243	418
2023 (a)	579	142	173

Source: The Major Landowner.

(a) Data through August 31, 2023.

Government Approvals. The Project is the subject of a Master Development Agreement approved by the City on August 11, 1986, which addresses rights to develop the property as provided in and subject to the conditions of such agreement. The Master Development Agreement has been updated and supplemented from time to time through amendments and additional development agreements. These development agreements collectively address various issues that are typically made the subject of development agreements in Arizona, such as City services, reimbursements for certain public infrastructure, City's processing of plans and permits, and public bidding. These agreements also address required capital and operations contributions to the City for police and fire services within the District.

Sales of residential lots or units within the District cannot be closed until the Arizona Department of Real Estate ("ADRE") issues a public report with respect to the development in accordance with Arizona law. Public reports have already been obtained from ADRE for those parcels currently conducting sales of residential lots in the Project.

The Major Landowner's predecessors procured from the Army Corps of Engineers a permit under Section 404 of the Clean Water Act for the discharge of dredged and/or fill materials at the Project. The permit has been assigned to the Major Landowner. The permit has been extended to December 2033. The permit is subject to certain conditions and limitations, none of which will impair the development of the Project in the manner described herein. In addition, predecessors of the Major Landowner acquired a 401 permit from Arizona Department of Environmental Quality which has been extended to December 2033. The 401 permit addresses quality standards of water discharged into to waters of U.S. These permits cover approximately 10,000 acres in the north half of the Project, which includes all of the District Land.

Development of the District Land and construction of the residential units will be subject to obtaining various other routine approvals and permits. Each successful bidder for each project will be required to obtain building, grading and any additional permits required for the development of the construction projects.

Utilities. There are two wastewater treatment facilities serving the Project. The first wastewater treatment facility, Corgett Wastewater Treatment Facility, is located northwest of Elliot Road and San Gabriel Drive and operated by the City to service the Project. It has a current capacity of 0.8 million gallons per day. Corgett Wastewater Treatment Facility is presently providing capacity for 3,560 dwelling units, 190,000 square feet of commercial space and two schools while processing 0.421 million gallons of wastewater per day on average. The second wastewater treatment facility, Rainbow Valley Wastewater Treatment Facility, is located at Rainbow Valley Road and Willis Road and operated by the City to service the Project. It has a capacity of 0.75 million gallons per day. Rainbow Valley Wastewater Treatment Facility is currently serving 4,750 dwelling units, 59,000 square feet of commercial space and one school while processing approximately 0.457 million gallons of wastewater per day on average. This facility is in process of operational improvements and an expansion of 1.25 million gallons per day to bring the plant to 2.0 million gallons per day. Expected completion is second quarter 2026.

The City is serving potable water to the developed portion of the District. The City also will serve potable water to the remainder of the District.

In order to subdivide and sell lots, the City has relied upon a designation by the Arizona Department of Water Resources ("ADWR") as having an assured water supply. An assured water supply means that sufficient water of adequate quality will be continuously available to satisfy the water needs of the proposed use for at least 100 years, that any projected groundwater use is consistent with the water management plan approved by ADWR and the management goals for the active groundwater management area and that financial capability to construct the delivery system and any necessary treatment works has been demonstrated to ADWR.

On May 31, 2016, ADWR issued a Decision and Order designating the City as having an assured water supply and concluding that the annual volume of water that is available to the City for a minimum of 100 years exceeds the projected demand through the calendar year 2028. That Decision and Order requires the City to file with ADWR an application to modify the City's assured water supply designation by the earlier of December 31, 2026, or when the sum of the City's current water demand, committed water demand and two years of projected water demand exceeds 18,621.79 acre-feet per year. The City's designation of assured water supply can be terminated or modified by ADWR should circumstances warrant. If ADWR subsequently terminates the City's assured water supply designation, the developers of residential parcels would need to obtain from ADWR individual certificates of assured water supply for each future subdivision in order to continue to subdivide and sell lots.

The City recently finished construction of an 8.0 million gallon per day surface water treatment facility. This facility is providing additional potable water to the Project.

Within the District, Arizona Public Service Company provides electricity, Century Link provides telephone service, Cox Cable System provides phone and cable television and Southwest Gas Company provides natural gas.

Schools. The Project currently has two elementary schools serving students in kindergarten through 8th grade (Estrella Mountain Elementary School and Westar Elementary School, which are part of Liberty Elementary School District No. 25 of Maricopa County, Arizona) and one high school serving students in 9th through 12th grade (Estrella Foothills High School, which is part of Buckeye Union High School District No. 201 of Maricopa County, Arizona). While based upon the existing level of school services, it is expected that these schools will be sufficient to meet the

immediate elementary and secondary educational needs of residents within the District, the Liberty Elementary School District has expressed interest in procuring the next elementary school site over the next 6-12 months so it can begin planning for the next elementary school.

Police, Fire and Sanitation. Police, fire and sanitation services are provided to the District by the City. The City has constructed an approximately 18,000 square foot facility at the Project to house both fire and police. A second, 12,587 square foot fire only station, also at the Project, was put into service in 2021. Additional fire and police facilities are anticipated as the Project is developed.

Environmental Matters. Since 1994, one or more environmental site assessments have been obtained with respect to the lands within the District. None of the environmental site assessments have disclosed material environmental conditions within the District that would require further action or evaluation.

Marketing. There is an Information Center for the Project. The Information Center is approximately 5,500 square feet and encompasses an internet cafe, sitting areas, display areas, a topographical model and a bike shop. The Project has a website (www.estrella.com) and generally advertises on television, radio, newspaper and magazine, outdoor billboards, electronic media and through a variety of other means. The Major Landowner also uses the services of real estate brokers in connection with the marketing and sale of the property within the Project and will pay fees and commissions in connection therewith. The Major Landowner intends to continue to market improved and unimproved lots within the Project and does not itself anticipate building or marketing homes.

Prior Project Ownership

The Project was originally commenced in the mid 1980s by Continental Homes. The Project was acquired by SunChase as the owner of all the land within the District as of formation on November 22, 1999. Residential Funding Corporation, a Delaware corporation, consented to the formation of the District as a holder of a lien interest in such land as of formation. Subsequent to the formation of the District, the Development Agreement was entered into between the District, the City, SunChase and Residential Funding Corporation. The initial and subsequent public infrastructure was described in the General Plan, which was recorded on November 23, 1999, as document no. 99-1063338. Ryland Group, Inc. (which subsequently obtained a contractual interest in certain property contained within the District) consented and agreed to the Development Agreement.

In 2003, SunChase conveyed the Project and assigned its interests in the Development Agreement to Sun MP, LLC ("Sun MP"), a limited liability company formed in connection with a restructuring and a new capital investment in the mixed-use, master-planned community known as Estrella Mountain Ranch ("Estrella Mountain Ranch") by an unrelated party. In October 2003, the City and the District consented to the assignment of SunChase's interests to Sun MP.

Pursuant to an option agreement, in a series of transactions from May 16, 2005, through July 31, 2013, Sun MP conveyed all of its interest in the District Land and in the various agreements related to the District (all of which were consented to by the City and the District), to NNP III-Estrella Mountain Ranch, LLC and its affiliated entities. NNP III-Estrella Mountain Ranch, LLC acquired a total of approximately 6,461 acres from Sun MP. Of this total, 6,130 acres were within the District and 331 acres were near but outside the District. NNP III-EMR 3, LLC acquired approximately 2,750 acres from Sun MP. Of this total, 2,430 acres were within the District and 320 acres were near but outside the District. NNP III-EMR 4, LLC acquired approximately 9,058 acres from Sun MP. Of this total, 177 acres were within the District and 8,881 acres were near but outside the District. Combined, NNP III-Estrella Mountain Ranch, LLC and its affiliated entities acquired approximately 18,269 acres from Sun MP. Of the total, approximately 8,737 acres were within the District and 9,532 acres were near but outside the District. NNP III – Estrella Mountain Ranch, LLC and NNP III-EMR 3, LLC were wholly-owned by NNP III – Estrella, LLC, a Delaware limited liability company ("NP III – Estrella"). NNP III – Estrella and NNP III-EMR 4, LLC, a Delaware limited liability company were wholly-owned by Estrella Mountain Ranch Developers LLC, a Delaware limited liability company ("NP III"). NNP III was wholly owned by Land Management Company, LLC.

Current Project Ownership

In 2021, pursuant to a purchase and sale agreement, NNP III-Estrella Mountain Ranch, LLC, and its affiliated entities referenced above (collectively, the “NNP Entities”) sold their entire holdings within the District and all additional properties outside the District to Estrella Partners, LP, and affiliated entities. In particular, all property and interests of the NNP Entities within the District were conveyed to the Major Landowner and all properties and interests outside the District were conveyed to Estrella South LLC. All documents related to the District, including the Development Agreement, were assigned to the Major Landowner in October 2021, and such assignment was consented to by the District and the City. The Major Landowner and Estrella South LLC are both wholly owned subsidiaries of Estrella Partners, LP.

The parties that, through affiliates, own a portion of Estrella Partners, LP and together own all of its general partner, Goodyear EMR GP, LLC, are Harvard Investments, Inc., a Nevada corporation, and Toll Southwest LLC, a Delaware limited liability company, a subsidiary of homebuilder, Toll Bros., Inc., a Pennsylvania corporation (collectively, “Toll Brothers”). Varde Partners (as defined herein) is a limited partner in Estrella Partners, LP.

Harvard Investments, Inc. and its affiliates (collectively, “Harvard”), are headquartered in Scottsdale, Arizona, and are the United States real estate investment and development arm of the Hill Companies, a Canadian land development company, which has operated as a privately held company since its inception in 1903. Harvard’s real estate holdings, through its affiliates and various joint ventures, are located throughout the southwestern United States. Harvard’s current and past real estate holdings include more than 80 projects including residential master planned communities, golf courses, custom home site projects and commercial developments. Since 1982, Harvard is currently developing, or has developed, more than 20 residential master planned communities, which includes entitlement development and sale of over 30,000 residential lots through Arizona, Texas and New Mexico. Harvard will manage the day-to-day operations of the land development within the District.

Toll Brothers is a national homebuilder based in Horsham, Pennsylvania. Toll Brothers is the eighth largest homebuilder in the U.S. based on closings and builds to the higher end of the homebuilding market. Toll Brothers has also undertaken development in other real estate sectors including multi-family. Toll Brothers operates in hundreds of communities across 20 states. Toll Brothers is publicly traded on the New York Stock Exchange. Toll Brothers is subject to reporting the information required by the Exchange Act, and in accordance therewith files the Filings with the Commission. The Filings may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and Northwestern Atrium Center, 400 West Madison Street, Suite 400, Chicago, Illinois. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission’s EDGAR database at <http://www.sec.gov>. None of the District, the Financial Advisor, Bond Counsel, the Underwriter or counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

The primary investor in Estrella Partners, LP is an affiliate of Varde Partners, Inc., a Minnesota corporation (collectively, “Varde Partners”). Varde Partners is a global investment manager founded in 1993 specializing in alternative investments with discretionary fund assets of approximately US \$15 billion and over 300 employees. Varde Partners maintains 14 offices across the globe. Headquarter offices are located in Minneapolis for North America, London for Europe, and Singapore for the Asia Pacific region. The firm invests across five segments: corporate and traded credit, financial services, real estate, mortgages and real assets and infrastructure. Varde Partners benefits from a broad and diverse investor base, including endowments and foundations, pension funds, insurance companies, private clients and other institutional investors. Since its founding, Varde Partners has focused on making and managing investments in real estate, mortgages, homebuilding and infrastructure. In the United States, since 2009, Varde Partners has invested and managed over \$4.7 billion of fund capital in residential development, homebuilding and residential mortgages.

The remaining land within the District is owned by various parties including home builders, homeowners, homeowners’ associations, commercial and civic users and other investors.

PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS

The information contained in this section relates to and has been obtained from the Major Landowner, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

Proceeds of the Bonds will be used to finance certain public infrastructure (the “Public Infrastructure Financed by the Bonds”) identified in TABLE 13. The Public Infrastructure Financed by the Bonds was completed in or prior to 2023, and has been or will be dedicated to the City. The total estimated cost of the Public Infrastructure Financed by the Bonds is greater than the amount to be available from proceeds of the sale of the Bonds; the balance of the cost of the Public Infrastructure Financed by the Bonds has been paid by Developer. Unreimbursed costs of Public Infrastructure Financed by the Bonds may be eligible to be reimbursed by the sale of bonds by the District in the future should the District elect to issue such additional bonds.

TABLE 13

PUBLIC INFRASTRUCTURE COSTS AND FUNDING

Public Infrastructure Description	Total Estimated Cost	Certified Engineer’s Cost	To Be Paid By the Bonds	Paid by Prior Bonds	Eligible for Funding from Future Bonds	Completion Date
1. Willis Road Phase 1	\$ 7,530,099	\$ 7,530,099	\$7,530,099	\$ -	\$ -	March 2010
2. Cotton Lane Bridge	8,000,000	8,000,000	3,546,316	\$ -	4,453,684	July 2008
Totals :	<u>\$15,530,099</u>	<u>\$15,530,099</u>	<u>\$11,076,415</u>	<u>\$ -</u>	<u>\$4,453,684</u>	

RISK FACTORS

Investment in the Bonds involves a significant degree of risk and is speculative in nature. The Bonds will be secured solely by *ad valorem* property taxes to be levied on all taxable property within the boundaries of the District. THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE PRINCIPAL RISK FACTORS IN INVESTING IN THE BONDS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS OFFICIAL STATEMENT, BEFORE MAKING AN INVESTMENT DECISION. INVESTMENT IN THE BONDS SHOULD BE MADE ONLY AFTER CAREFUL EXAMINATION OF THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO. This discussion of risk factors is not, and is not intended to be, exhaustive, and such risk factors are not necessarily presented in the order of their magnitude.

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

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

Construction of houses on the lots within the District may be affected by changes in the income tax treatment of real property ownership; changes in national, regional and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing

properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds and homeowners insurance to buyers of the homes to be built in the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; changes in water availability, and other unknown contingencies and factors beyond the control of the owners of such land. Land development within the District also could be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. The Major Landowner is experiencing supply chain issues currently affecting the national economy, specifically the timely availability of materials necessary to build new homes. While advantage is being taken of all available alternatives, completion of homes has been slowed. This circumstance is expected to continue for the near term and to affect home closings.

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

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

Vacant lots also provide less security to the holders of the Bonds should it be necessary for the District to foreclose due to nonpayment of *ad valorem* taxes. An inability to develop the remaining land within the District would likely reduce the diversity of ownership of land within the District, making the holders of the Bonds more dependent upon timely payment of the *ad valorem* taxes levied on the vacant lots.

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

Failure or Inability to Complete Proposed Development

The development of land in the District will be staged so that only a particular phase is planned to be developed at one time. Funding for development of property in the District will be provided by third-party lenders, the Major Landowner and other sources. The availability of funding for the completion of the Project will depend upon the demand for residential lots or units within such communities and local, regional and national market and economic conditions. No assurance is given that funding will be obtained for development of property in the District, or, if obtained, will be in an amount sufficient to complete development of the Project. If satisfactory funding is unavailable, the Major Landowner may be required to delay or suspend completion of the development of the balance of the Project.

Public and private on-site and off-site improvements may increase the public and private debt for which the land within the District is security. The burden of additional debt would be placed on the land within the District to complete the necessary improvements. See “Direct and Overlapping Indebtedness” herein.

Completion of the Public Infrastructure and the Other Infrastructure

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

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

Sale of Portions of the Land in the District

It is possible that the Major Landowner or other landowners within the District may sell portions of their land to other owners. Such new owners may not develop their land on the same schedule as the Major Landowner or the other landowners, thus slowing the pace of growth and delaying increases in assessed valuation.

Lack of Availability of Utilities and Water

Water and sewer service to the District will be provided by the City as described under the heading “LAND DEVELOPMENT.” Failure or inability to complete proposed development, including development of necessary utilities could affect adversely future development of the land in the District. See “Failure or Inability to Complete Proposed Development” herein. Certain utilities are to be developed by the City pursuant to certain development agreements including as described above. There can be no assurances that such utilities will be financed and developed.

Effect of Valuation of Property

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

Direct and Overlapping Indebtedness

The ability of an owner of land within the District to pay its *ad valorem* taxes could be affected by the existence of other taxes and assessments imposed upon the property, including special assessment bonds. The District and other political subdivisions whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional *ad valorem* taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. (The existing public debt relating to the District is set forth in “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS.”) The lien created on the property within the District through the levy of *ad valorem* taxes would be on a parity with that for the *ad valorem* taxes securing the Bonds. The imposition of additional parity liens, junior liens, in the case of special assessments, or even private financing, may reduce the ability or willingness of the owners of land within the District to pay the *ad valorem* property taxes securing the Bonds. In that event, there could be a default in the payment of the Bonds.

From time to time there are legislative proposals in the Arizona Legislature that, if enacted, could alter the basis on which *ad valorem* taxes (including those that secure the Bonds) are assessed, levied and collected and which could affect, among other things, the distribution of the amount of taxes various classifications of property may be obligated to pay. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would affect the Bonds or other obligations issued prior to enactment.

Availability of Amounts Pursuant to Standby Contribution Agreement

If amounts to be available pursuant to the Standby Contribution Agreement are not available for any reason (including financial difficulties or bankruptcy of the Major Landowner or if the Standby Contribution Agreement has been released pursuant to its terms), the Bonds will be payable only from District *ad valorem* property taxes, resulting in

potentially increased District tax rates and increased reliance upon District tax revenues collected within the District to pay Debt Service.

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

Bankruptcy and Foreclosure Delays

The payment of the *ad valorem* taxes securing the Bonds and the ability of the District to foreclose the lien of delinquent, unpaid, *ad valorem* taxes may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not extinguish the *ad valorem* taxes securing the Bonds, the bankruptcy of a property owner could result in a delay in the foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the Bonds when due. See "SECURITY FOR AND SOURCES OF PAYMENT – *Ad Valorem* Property Taxation in the District."

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

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

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

It cannot be determined what impact any deterioration of the financial condition of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter, the Financial Advisor, the Major Landowner or their respective counsel, agents or consultants have undertaken any independent investigation of the operations and financial condition of any of the property owners in the District, nor have they assumed responsibility for the same.

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

Bankruptcy or similar occurrence of or to the Major Landowner could result in a temporary or permanent cessation of amounts payable pursuant to the Standby Contribution Agreement. Payment of principal of and interest on the Bonds would then be reliant on amounts available from collection of *ad valorem* taxes securing the Bonds.

Amendment of Documents Referenced

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

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

Environmental Matters

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

Forward Looking Statements

Included in this Official Statement are various forecasts and projections. The forecasts and projections are forward looking statements based on assumptions concerning future events and should be viewed with an abundance of caution. Circumstances that may not yet be ascertainable, which the party making the forecasts or projections believes to be significant and which such party cannot control may also exist. There are usually differences between projections and results, because events frequently do not occur as expected, and those differences may be material. There can be no assurances that the various forecasts and projections set forth in this Official Statement can be achieved.

No Review of Filings

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

Risks Related Coronavirus Disease 2019 (“COVID-19”)

The COVID-19 global pandemic continues to affect the nation and the State with on-going concerns related to health and safety, appropriate preventative protocols, fiscal and economic issues, and student learning loss. At present, government and business operations in the State essentially function without government-imposed restrictions relating to the pandemic.

The District does not anticipate that the collection of property taxes, which may be a significant revenue source for operating purposes and is the security and source of payment of principal and interest due on the Bonds, will be affected unless severe economic hardship causes a significant decrease in property tax collections. Such a decline in property tax collections could negatively affect the District's ability to pay Debt Service on the Bonds.

The District cannot predict how the spread of COVID-19 or the various governmental or private actions taken in response thereto will affect its finances or operations, including the receipt of property tax collections.

The residential housing market has experienced a limited impact from the COVID-19 pandemic to-date. Although the pace of home sales decreased at the onset of the disease and through state stay-at-home mandates, home pricing has continued to increase, and the sales pace has returned to levels consistent with levels prior to the onset of the COVID-19 pandemic.

LITIGATION

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

LEGAL MATTERS

The Bonds are sold with the understanding that the District will furnish the Underwriter with the approving opinions of Bond Counsel addressing legal matters relating to the validity of the Bonds under Arizona law, and with regard to the tax-exempt status of the interest income thereon (see "TAX EXEMPTION"). The signed legal opinions of Bond Counsel are dated and premised on the law in effect only as of the date of original delivery of the Bonds and will be delivered to the District at the time of original issuance. The fees of Bond Counsel and Counsel to the Underwriter are expected to be paid from the proceeds of the sale of the Bonds and are contingent upon delivery of the Bonds.

The proposed text of the legal opinion is set forth as APPENDIX D – "FORM OF LEGAL OPINION OF BOND COUNSEL." The legal opinion to be delivered may vary from the text of APPENDIX D – "FORM OF LEGAL OPINION OF BOND COUNSEL" if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Bond Counsel has reviewed the information in the tax caption on the cover page as well as the information under the headings "THE DISTRICT," "THE BONDS," "SECURITY FOR AND SOURCES OF PAYMENT" (except the information included under the subheading "*Ad Valorem* Property Taxation in the District"), "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District," "LITIGATION," "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT," "BOND PREMIUM," "CONTINUING DISCLOSURE" (except as it relates to compliance with prior continuing disclosure undertakings) and "RELATIONSHIP AMONG PARTIES" (but only as it applies to Bond Counsel) and in APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," APPENDIX C – "FORM OF STANDBY CONTRIBUTION AGREEMENT," APPENDIX D – "FORM OF LEGAL OPINION OF BOND COUNSEL" and APPENDIX E – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" but otherwise has

not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has neither examined nor attempted to examine nor verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona, counsel to the Underwriter and for the Major Landowner by Berens Blonstein PLC, Scottsdale, Arizona.

From time to time, there are legislative proposals which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and non-financial, impacting the operations of community facilities districts which could have a material impact on the District and could adversely affect the secondary market value and marketability (liquidity) of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The various legal opinion to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The financial statements of the District as of June 30, 2022, and for its fiscal year then ended, which are included as APPENDIX G to this Official Statement, have been audited by HintonBurdick, PLLC as stated in its opinion which appears in APPENDIX G – “AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2022.” The District neither requested nor obtained the consent of HintonBurdick, PLLC to include its report and HintonBurdick, PLLC has performed no procedures subsequent to rendering its opinion on the financial statements. In addition, as a “blended component unit” of the City, certain information regarding the District is contained in the City’s comprehensive annual financial reports. The City’s comprehensive annual financial report for the fiscal year ended June 30, 2022, is publicly available and is available upon request from the District Treasurer.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District as described below, interest income on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State income taxes. The opinion of Bond Counsel will be dated as of the date of initial delivery of the Bonds. The form of such opinion is included as APPENDIX D – “FORM OF LEGAL OPINION OF BOND COUNSEL” attached hereto.

The Internal Revenue Code of 1986, as amended (the “Code”) imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain of its investment earnings with respect to the Bonds. The District has covenanted to comply with the provisions of the Code relating to such matters and the opinion of Bond Counsel assumes continuing compliance with such covenants. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes, under certain circumstances, from the date of initial issuance. The Bonds do not provide for an adjustment in the interest rate or yield in the event of taxability and an event of taxability does not cause an acceleration of the principal on the Bonds.

The Code also imposes an “alternative minimum tax” upon certain corporations and individuals. A taxpayer’s “alternative minimum taxable income” (“AMTI”) is its taxable income with certain adjustments. Interest income on the Bonds is not an item of tax preference to be included in the AMTI. Notwithstanding the preceding sentence, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Although Bond Counsel will render an opinion that, as of the delivery date of the Bonds, interest income on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect a Beneficial Owner's (as defined in APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM") federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers who become Beneficial Owners of the Bonds, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the applicability of such tax consequences to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the Beneficial Owner's particular tax status and the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

The Bonds are not "private activity bonds" within the meaning of Section 141 of the Code.

From time to time, there are legislative proposals in Congress, which, if enacted or made effective, could alter or amend the federal tax matters referred to above or adversely affect the market value and marketability (liquidity) of the Bonds. Any such change that occurs before initial delivery of the Bonds could cause Bond Counsel to deliver an opinion substantially different from the opinion shown in APPENDIX D – "FORM OF LEGAL OPINION OF BOND COUNSEL." The extent of changes in Bond Counsel's opinion cannot be determined at this time. It cannot be predicted whether, when or in what form any such proposal or proposals might be enacted or whether, if enacted, such proposal or proposals would apply to obligations (such as the Bonds) issued prior to the enactment or effective date. Prospective purchasers should consult with their own tax advisors regarding any other pending or proposed federal income tax legislation.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Bonds maturing on July 15, 20__ through and including July 15, 20__ (collectively, the "Discount Bonds"), are less than the respective amounts payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price (assuming it is the first price at which a substantial amount of that maturity of Discount Bonds was sold, the "OID Issue Price") of the Discount Bonds and the amount payable at maturity of the Discount Bonds will be treated as "original issue discount." With respect to a Beneficial Owner who purchases a Discount Bond in the initial public offering at the OID Issue Price and who holds the Discount Bond to maturity, the full amount of original issue discount will constitute interest income which is not includible in the gross income of the Beneficial Owner of the Discount Bond for federal income tax purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Discount Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 15 and July 15 (with straight-line interpolation between compounding dates). The amount of original issue discount accreting each period will be added to the Beneficial Owner's tax basis for the Discount Bond. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bond. An initial Beneficial Owner of a Discount Bond who disposes of the Discount Bond prior to maturity should consult his or her tax advisor as to the amount of the original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or disposition of the Discount Bond prior to maturity.

The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Discount Bonds. Beneficial Owners who do not purchase the Discount Bonds in the initial offering at the OID Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Discount Bond may result in certain collateral federal income tax consequences as described in "TAX EXEMPTION" herein. Beneficial Owners

of Discount Bonds in states other than Arizona should consult their own tax advisors with respect to the state and local tax consequences of owning Discount Bonds.

BOND PREMIUM

The initial public offering prices of the Bonds maturing on July 15, 20__, through and including July 15, 20__ (collectively, the “Premium Bonds”), are greater than the amount payable on such Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner’s yield to maturity. Beneficial Owners of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

RATINGS

S&P Global Ratings, a division of Standard & Poor’s Financial Services, LLC (“S&P”) is expected to assign the rating of “AA” to the Bonds with the understanding that the Policy will be delivered by the Bond Insurer (as defined herein) simultaneously with the issuance of the Bonds. S&P has also assigned an underlying rating of “__” to the Bonds. Such ratings reflect only the view of S&P. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, CA 94111. Such ratings may be revised or withdrawn entirely at any time by S&P if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Bonds. The District will covenant in its continuing disclosure undertaking with respect to the Bonds that it will file notice of any formal change in any ratings relating to the Bonds. See “CONTINUING DISCLOSURE” and APPENDIX E – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” hereto.

BOND INSURANCE

[Bond Insurer Disclosure]

RISK FACTORS RELATED TO BOND INSURANCE

The following are risk factors relating to bond insurance generally. If the District determines to obtain the Policy for the Bonds, in the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from *ad valorem* property taxes as described under “SECURITY FOR AND SOURCES OF PAYMENT.” In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer’s financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the rating on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter, the Financial Advisor, the Major Landowner or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

UNDERWRITING

The Bonds will be purchased by the Underwriter at an aggregate purchase price of \$_____, pursuant to a bond purchase agreement (the “Bond Purchase Contract”) entered into by and between the District and the Underwriter. If the Bonds are sold to produce the yields shown on the inside front cover page hereof, the Underwriter’s compensation will be \$_____. The Bond Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter.

CONTINUING DISCLOSURE

The District will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 in each year commencing February 1, 2024 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District as such will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) through the Electronic Municipal Market Access system (“EMMA”), as described in APPENDIX E – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” These covenants will be made in order to assist the Underwriter in complying with the SEC’s Rule 15c2-12(b)(5) (the “Rule”). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. *Pursuant to Arizona Law, the ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds, specifically their market price and transferability.

The District did not associate certain continuing disclosure filings on EMMA with the CUSIP numbers for certain of the District’s bonds. Such filings have since been associated with such CUSIP numbers. The District did not timely file Annual Report for the fiscal year ended June 30, 2018, relating to certain of the District bonds. Such Annual Report was filed on March 5, 2019. The District has implemented written procedures to facilitate compliance with its existing continuing disclosure undertakings, the continuing disclosure undertaking related to the Bonds and future, similar continuing disclosure undertakings in all material respects.

FINANCIAL ADVISOR

Hilltop Securities Inc. (the “Financial Advisor”) has been engaged by the District for the purpose of advising the District as to certain debt service structuring matters specific to the Bonds and on certain matters relative to the District’s overall debt financing program. The Financial Advisor has assisted in the assembly and preparation of this Official Statement at the direction and on behalf of the District. No person is entitled to rely on the Financial Advisor’s participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy and completeness of the information contained herein.

RELATIONSHIPS AMONG PARTIES

Bond Counsel has previously represented the Underwriter with respect to other financings and has acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriter and may do so in the future. Bond Counsel also serves and has served as bond counsel for one or more of the political subdivisions that the District territorially overlaps. Counsel to the Underwriter has previously acted as bond counsel with respect to other bonds underwritten by the Underwriter and may continue to do so in the future if requested.

The Underwriter and the Financial Advisor have underwritten or acted as financial advisor with respect to bonds issued by the City and other overlapping political subdivisions.

CONCLUDING STATEMENT

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

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

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

ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)

By: _____
Chairperson, Board of Directors

INFORMATION REGARDING THE CITY OF GOODYEAR, ARIZONA

The following information concerning the City is for background information only as the District lies within the geographical limits of the City. THE BONDS ARE NOT AN OBLIGATION OF THE CITY IN ANY RESPECT. THE BONDS ARE DIRECT GENERAL OBLIGATIONS OF THE DISTRICT, PAYABLE FROM AD VALOREM TAXES LEVIED AGAINST ALL TAXABLE PROPERTY IN THE DISTRICT, AS DESCRIBED UNDER THE HEADING "SECURITY FOR AND SOURCES OF PAYMENT."

General

The City (also referred to herein as "Goodyear"), which incorporated in 1946, is a suburban community that lies approximately 17 miles west of downtown Phoenix. The City was founded in 1916 by the Goodyear Tire & Rubber Company for the farming of cotton. Later, a naval air station was established in Goodyear and a subsidiary, Goodyear Aircraft (now Lockheed Martin), began manufacturing flight decks for Navy sea planes. The City has grown from a one-industry, agricultural-based community into a diversified manufacturing and service center for the far west valley area.

The City annexed 67 square miles south of its former southern boundary, which annexation expanded the City to approximately 190 square miles. The annexed area is expected to be primarily utilized in future years for residential land uses.

**TABLE A-1
POPULATION STATISTICS**

Year	City of Goodyear	Maricopa County	State of Arizona
2022 Estimate (a)	106,090	4,586,431	7,409,189
2020 Census	95,294	4,420,568	7,151,502
2010 Census	65,275	3,817,117	6,392,017
2000 Census	18,911	3,072,149	5,130,632
1990 Census	6,258	2,122,101	3,665,339

(a) Estimate as of July 1, 2022 (published December 2022).

Source: Arizona Office of Economic Opportunity and U.S. Census Bureau (2020, 2010, 2000 and 1990) – *Census of Population and Housing* and July 1, 2022 Population Estimates for Arizona's Counties, Incorporated Places and Unincorporated Balance of Counties.

Municipal Government Organization and Services

The City's charter government provides for six Council Members and a Mayor elected at large. A Vice Mayor is elected by the Mayor and Council Members. Council Members serve four-year staggered terms and the Mayor serves a four-year term. The Mayor is limited to two four-year terms and Council Members are limited to three four-year terms. The City Manager, who is appointed by the City Council, is responsible for the overall operation and supervision of all governmental functions. The operations of City government are provided by a staff of approximately 706 employees.

The City, along with other private utilities, provides refuse collection and public safety (police and fire) to its residents. The City and Liberty Water Company provide water and sewer service to a majority of the City's residents. Electricity is provided by Arizona Public Service Company, and natural gas is supplied by Southwest Gas Corporation.

The following are certain members of the administrative staff of the City:

Wynette Reed, City Manager. _____.

Doug Sandstrom, Finance Director. Mr. Sandstrom was appointed Finance Director in May 2016. Mr. Sandstrom previously served as the Finance Director for the City of Casa Grande, Arizona from 2013 to 2016, Administrative Services Director for the City of Show Low, Arizona from 2010 to 2013 and in various capacities for the City of Surprise, Arizona, from 1999 to 2009 including Budget/Grant Analyst, Budget Manager, Management & Budget Director and Assistant City Manager. Mr. Sandstrom has also served as Finance Director for the Town of Gila Bend, Arizona and as a Financial Analyst for the City of Rockford, Illinois. Mr. Sandstrom holds a Master’s degree in public administration from the University of Wisconsin-Milwaukee and a Bachelor’s degree in political science/economics from St. Cloud State University in Minnesota.

Economy

Historically agriculture was a major contributor to the City’s economic base. Agriculture still plays a role in the City’s economy, however, it no longer dominates the area’s economy. Today much of the City’s economy centers around the aerospace industry and retail services. Arizona’s Airline Training Center and Lockheed Martin are located on the Phoenix-Goodyear Airport Campus. Industrial, commercial and residential developments have also become a significant part of the economy.

Goodyear Ballpark is the spring training and player development home of both of Ohio’s Major League Baseball teams – the Cleveland Guardians and the Cincinnati Reds. The Cleveland Guardians started spring training in the City in 2009; the Cincinnati Reds started spring training in the City in 2010. Each team has a year-round presence in Arizona, through Spring Training, extended Spring Training, Rookie League, Fall Instructional League and rehabilitation of injured players at their training complexes. The teams’ development complexes each include a 42,000 square foot clubhouse, six full-size practice fields, two infields, batting cages, pitching mounds, hitting tunnels and observation towers. Both teams have made Arizona their second home, and are actively engaged in the City and surrounding communities, participating in charity activities, youth sports programs and other events.

TABLE A-2 (a)
UNEMPLOYMENT RATE AVERAGES

<u>Year</u>	<u>City of Goodyear</u>	<u>Maricopa County</u>	<u>State of Arizona</u>	<u>United States</u>
2023 (b)	3.4%	3.1%	3.5%	3.6%
2022	3.7	3.3	3.8	3.6
2021	4.7	4.6	5.1	5.4
2020	6.9	7.3	7.8	8.1
2019	4.4	4.2	4.9	3.7

(a) *This table includes restated data: Local Area Unemployment Statistics (“LAUS”) program data is intermittently revised to incorporate new population controls, updated inputs, re-estimation of models, and adjustment to new census division and national control totals.*

(b) *Data is not seasonally adjusted, is preliminary and is an average through July 2023 for the National Unemployment rate; through June 2023 for LAUS data.*

Source: *Local Area Unemployment Statistics and National Labor Force Statistics, U.S. Department of Labor, Bureau of Labor Statistics. Data accessed September 7, 2023.*

A list of major employers located within the City is set forth in the following table.

TABLE A-3
MAJOR EMPLOYERS – CITY OF GOODYEAR, ARIZONA

Employer (a)	Description	Approximate Employment
Amazon.com	Retail	4,165
UPS - Regional Ops Center	Transportation & Distribution	1,852
Macy's Inc	Transportation & Distribution	1,550
Chewy.com	Transportation & Distribution	1,547
(Abrazo Healthcare) West Valley Hospital	Healthcare	1,003
Cancer Treatment Center's of America	Healthcare	768
Subzero Freezer Co	Consumer Goods Manufacturing	693
Cavco Industries	Housing Construction	385
McLane Sunwest	Transportation & Distribution	375
AerSale	Aviation	358

(a) *Some of such employers or their parent companies are subject to the informational requirements of the Exchange Act and in accordance therewith file the Filings with the Commission. The Filings may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and Northwestern Atrium Center, 400 West Madison Street, Suite 1400, Chicago, Illinois. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the NYSE at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>. None of the District, the Underwriter, the Financial Advisor, Bond Counsel or counsel to the Underwriter have examined the information set forth in the Filings for accuracy or completeness, or examined similar information for entities or the parent company that are not subject to same or similar informational reporting requirements.*

Source: *Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022, City of Goodyear, Arizona Finance Department.*

Construction

The following tables illustrate a building permit summary for residential and non-residential construction and new housing starts for the City. Values shown in thousands.

TABLE A-4
VALUE OF BUILDING PERMITS – CITY OF GOODYEAR, ARIZONA

Fiscal Year	Residential	Commercial and Industrial	Total
2023/24 (a)	\$ 71,259	\$ 2,293	\$ 73,553
2022/23	238,443	536,500	774,943
2021/22	402,088	237,597	639,685
2020/21	655,377	295,009	950,386
2019/20	465,608	758,832	1,224,440

(a) Partial year data through August 31, 2023.

Source: The City. Construction is valued on the basis of estimated cost, not on market price or value of construction at the time the permit is issued. The date on which the permit is issued is not to be construed as the date of construction.

TABLE A-5
NEW HOUSING STARTS – CITY OF GOODYEAR, ARIZONA

Fiscal Year	Total New Housing Starts
2023/24 (a)	190
2022/23	687
2021/22	1,235
2020/21	2,062
2019/20	1,490

(a) Partial year data through August 31, 2023.

Source: The City. The date of new housing starts is the date on which the permit is issued and is not to be construed as the date of construction.

Transportation

The City is readily accessible via ground and air transportation. Highway access is provided by County Highway 85, State Route 303 and Interstate 10. Other freeways, including State Route 101, Interstate 17 and Interstate 8 are readily accessible to the City. The City is approximately 25 miles from Phoenix Sky Harbor International Airport, which offers service from major airlines, commuter airlines and charter companies. The Phoenix-Goodyear Airport, located within the City is classified as a reliever airport to Phoenix Sky Harbor International Airport. The airport has an 8,500-foot lighted and paved runway and offers various airport-related facilities. The City is also served by the major bus companies and rail service is provided by the Union Pacific Railroad.

Education

Elementary and secondary education is provided to residents of the City by Mobile Elementary School District, Avondale Elementary School District, Liberty Elementary School District, Litchfield Elementary School District, Littleton Elementary School District, Buckeye Union High School District, Tolleson Union High School District and Agua Fria Union High School District. Post-secondary education is provided by the Maricopa County Community College District, which provides two-year and professional degrees through a number of facilities located throughout

the County and the greater Metropolitan Phoenix Area, including the campus of Estrella Mountain Community College located in the neighboring City of Avondale. Four-year degrees are attainable through Arizona State University located in Phoenix, Glendale, Mesa and Tempe, Grand Canyon University located in Phoenix and other universities located in the greater Metropolitan Phoenix Area that offer flexible class schedules to the working individuals of the County. Franklin Pierce University located in Goodyear offers doctorate programs through its College of Graduate and Professional Studies.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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

Definitions of Certain Terms

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

“Bond Fund” means the fund of that name created pursuant to the Indenture.

“Bondholder” means a Holder of a Bond.

“Business Day” means any day other than a Saturday, a Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District relating to the execution, sale and delivery of the Bonds and the execution and delivery of the Indenture and the Standby Contribution Agreement, including, but not limited to, filing and secondary costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Bonds and charges and fees in connection with the foregoing.

“Debt Service” means, with respect to the Bonds or Parity Bonds, collectively, (i) the principal of and interest and premium, if any, thereon when due either at Stated Maturity or redemption in advance of Stated Maturity; (ii) fees and costs of registrars, trustees, paying agents or other agents necessary to handle the Bonds or Parity Bonds; and (iii) amounts due with regard to Rebate with respect to the Bonds or Parity Bonds; and (iv) subject to annual appropriations, fees and costs incurred in connection with complying with any undertaking to provide continuing secondary market disclosure if entered into by the District with respect to the Bonds or Parity Bonds.

“Governmental Obligations” means only obligations set forth in paragraphs (A) and (B) of the definition of Permitted Investments, which are not subject to redemption in advance of maturity at the option of the obligor thereon, and only the interest component of Resolution Funding Corp. (REFCORP) strips that have been stripped by request to the Federal Reserve Bank of New York and are held in book entry form.

“Holder” when used with respect to any Bond means the person in whose name such Bond is registered in the Bond Register.

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

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

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

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

1. Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
2. Bonds for the payment or redemption of which money in the necessary amount is on deposit with the Trustee or any paying agent for the Holders of such Bonds at the Maturity thereof; provided, however, that if such Bonds are to be redeemed in advance of their Stated Maturity, notice of such redemption has been duly given pursuant to the Indenture, or waived, or provision therefor satisfactory to the Trustee has been made;
3. Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture;
4. Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in the Indenture; and
5. Bonds for the payment of the principal of and interest on which money or Governmental Obligations or both are held by the Trustee or an escrow agent with the effect specified in under the heading "Defeasance" below.

"Parity Bonds" means other general obligation bonds of the District, including the Series 2017 Bonds, which are payable from *ad valorem* property tax collections on parity with the Bonds.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested herein:

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States:

1. U.S. Export-Import Bank
Direct obligations or fully guaranteed Certificates of beneficial ownership
2. Farmers Home Administration
Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures
5. General Services Administration
Participation certificates
6. Government National Mortgage Association
Guaranteed mortgage-backed bonds
Guaranteed pass-through obligations
7. U.S. Maritime Administration
Guaranteed title XI financing
8. New Communities Debentures
U.S. government guaranteed debentures
9. U.S. Public Housing Notes and Bonds
U.S. government guaranteed public housing notes and bonds

10. U.S. Department of Housing and Urban Development
Project Notes Local Authority Bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following United States government agencies (non-full faith and credit agencies):

1. Federal Home Loan Bank System Senior debt obligations
2. Federal Home Loan Mortgage corporation Participation Certificates and senior debt Obligations
3. Federal National Mortgage Association ("FNMA") Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association Senior Debt obligations

D. Money market funds registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a(7) under the Investment Company Act of 1940, and having a rating by S&P of "AAA-m-G"; "AAA-m"; or "AA-m" or better and having a rating by Moody's of "VMIG-1" or better, including funds which the Trustee or its affiliates provides investment advisory services.

E. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Company.

F. Investment agreements provided by entities with ratings on their long term obligations or claims paying ability of "AA" or better by S&P and "Aa" or better by Moody's and required to be collateralized to the then current requirements of S&P to always having a rating of at least "A" and the then current requirement of Moody's to have a rating of at least "A". An investment agreement may not be amended, and no investment agreement may be entered into in substitution for an investment agreement unless each Rating Agency which has rated the Bonds has confirmed that the Rating of such Rating Agency will not be withdrawn or lowered upon the effective date of such amendment or substitute investment agreement.

G. Commercial paper rated, at the time of purchase, "A-1" or better by S&P and Moody's.

H. Bonds or notes issued by any state or municipality which are rated by S&P in one of the two highest rating categories assigned by such agency.

I. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "A-1" or "A" or better by S&P and "P-1" by Moody's.

J. Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the District (buyer/lender), and the transfer of cash from the District to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the District in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria.

1. Repos must be between the District and a dealer bank or securities firm
 - a. Primary dealers on the Federal Reserve reporting dealer list, or

- b. Banks rated “A” or above by S&P and rated “A” or above by Moody’s.
- 2. The written repo contract must include the following:
 - a. Securities which are acceptable for transfer are:
 - (1) Direct U.S. government, or
 - (2) Federal agencies backed by the full faith and credit of the U.S. government.
 - b. The term of the repo may be up to 180 days
 - c. The collateral must be delivered to the District, the Trustee (if the Trustee is not supplying the collateral) before or simultaneous with payment (perfection by possession of certificated securities)
 - d. Valuation of Collateral
 - (1) The securities must be valued weekly, marked-to market at current market price plus accrued interest
 - (a) The value of collateral must be equal to 103% of the amount of cash transferred by the District to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral falls below 103% of the value of the cash transferred by the District, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA, then the value of collateral must equal 105%.
- 3. Legal opinion which must be delivered to the municipal entity:
 - a. Repo meets guidelines under state law for legal investment of public funds.

K. Governmental Obligations.

L. “REFCORP STRIPS” obligations, representing interest on obligations of the Resolution Funding Corporation, the payment of such interest, if other revenues are insufficient, is required to be paid from the United States Treasury, which interest obligations are stripped by the Federal Reserve Bank of New York.

(If any security or Permitted Investment for which a rating level is required is on “credit watch,” “negative outlook” or similar status indicating a possible reduction in rating, it shall be treated as not having the rating required.)

“*Rating Agency*” means S&P or Moody’s.

“*Rebate*” means the payment system established by Section 148 of the Code with respect to certain arbitrage earnings by a political subdivision or amounts treated as the proceeds of certain obligations of such political subdivision and shall include all costs and expenses incurred.

“*Redemption Price*” when used with respect to any Bond to be redeemed means the amount to be paid on any redemption date for such redemption pursuant to the terms thereof and the Indenture.

“*Series 2017 Bonds*” means the District’s District General Obligation Refunding Bonds, Series 2017, dated March 23, 2017, in the original principal amount of \$14,050,000.

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

Trust Estate Under the Indenture

The District has granted a security interest to the Trustee in all money and investments held for the credit of the Bond Fund and the District’s interest in the Standby Contribution Agreement. The Trustee is required to hold all such property in trust for the benefit of all the Bondholders.

Bond Fund. The money deposited to the Bond Fund is required to be held by the Trustee in trust and applied solely as provided in the Indenture. The District is required to deposit with the Trustee and the Trustee is required to the Bond Fund from the proceeds of the sale of the Bonds (i) all amounts collected by or remitted to the District as *ad valorem* taxes to the extent provided in the Indenture, including collections of delinquent taxes, (ii) the amount, if any, received from proceeds of the sale of the Bonds as indicated in the Indenture, (iii) amounts received pursuant to the Standby Contribution Agreement, and (iv) such other funds as the District shall, at its option deem advisable. The Bond Fund is required to be applied by the Trustee solely to pay Debt Service when due and in the order described in the Indenture.

Investment of and Security for Funds. The Indenture provides that money held for the credit of the Bond Fund will be invested and reinvested by the Trustee in Governmental Obligations as directed in writing by the District. The Trustee will sell or present for redemption any obligations so purchased as an investment pursuant to the Indenture whenever it is necessary to do so in order to provide money to make any payment or transfer of money required thereby. Investments will mature, or will be subject to redemption by the holder thereof at the option of such holder without penalty, not later than the respective dates when such money is expected to be required for the purpose intended. Obligations so purchased as an investment of any money credited to any fund established pursuant to the Indenture will be deemed at all times to be a part of such fund. The interest accruing on obligations so purchased and any profit realized from such investment will be credited to such fund and any loss resulting from such investment will be charged to such fund. All money held by the Trustee pursuant to the Indenture will be continuously secured in the manner and to the fullest extent then required by laws and regulations applicable to national banking associations regarding the security for, or granting a preference in the case of, the deposit of trust funds. The Trustee will not be liable for any loss resulting from any such investment excepting only such losses as may have resulted from its own negligence. Absent written direction from the District, the Trustee will hold such moneys held under the Indenture uninvested in cash.

Remedies under the Indenture

The Trustee in its discretion, pursuant to the Indenture, may proceed to protect and enforce its rights and the rights of the Bondholders under the Indenture by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in the Indenture or in the Standby Contribution Agreement or in aid of the execution of any power granted in the Indenture or in the Standby Contribution Agreement or for the enforcement of any other legal, equitable, or other remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce any of the rights of the Trustee or the Bondholders. The Indenture provides that, in addition to all rights and remedies of any Bondholder provided therein, in the event the District defaults in the payment of the principal of (or premium, if any, on) or interest on any of the Bonds when due, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Resolution, in the Indenture or in the Standby Contribution Agreement, the Trustee will be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the directors and other officers of the District to make such payment or to observe and perform any covenant, obligation, or condition prescribed in the Bond Resolution or the Indenture. The Indenture contains no provision for acceleration of maturity of principal of the Bonds in the event of default. The remedy of mandamus described above would have to be exercised upon each separate default and may, therefore, prove costly, time consuming, and difficult to enforce. The rights and remedies of Bondholders and the enforceability of the Bonds may also be limited by bankruptcy, reorganization, and other similar laws affecting the enforcement of creditors’ rights generally. See “RISK FACTORS.”

If (1) default occurs in the payment of any interest on any Bond when such interest becomes due and payable, or (2) default occurs in the payment of the principal of (or premium, if any, on) any Bond at its Maturity, then upon demand of the Trustee, the District will pay or cause to be paid to the Trustee for the benefit on the Holders of such Bonds the amount so due and payable on the Bonds for principal (and premium, if any) and interest and, in addition thereto, such further amount as will be sufficient to cover the costs and expenses of administration and collection, including the reasonable compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel. If the District fails to pay or cause to be paid such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, will be entitled to sue for and recover judgment against the District for the amount then so due and unpaid.

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

Application of Money Collected. Any money collected by the Trustee pursuant to the “Remedies under the Indenture” above, together with any other sums then held by the Trustee as part of the Trust Estate, will be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

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

Control by Bondholders. The Holders of a majority in aggregate principal amount of any series of Outstanding Bonds will have the right (subject to providing indemnity to the Trustee as described below):

- 1. to require the Trustee to proceed to enforce the Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds of such series and the foreclosure of the Indenture, the sale of the trust estate established pursuant to the Indenture, or otherwise;
- 2. to require the Trustee to enforce the Standby Contribution Agreement; and
- 3. to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture or the Standby Contribution Agreement, provided that
 - a. such direction will not be in conflict with any rule of law or the Indenture,
 - b. the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction,

- c. the Trustee has not determined that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction, and
- d. if the remedy requires the consent of a certain number of the Holders, such consent has been provided.

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

Each Holder of any Bond by his acceptance thereof will be deemed to have agreed that any court may in its discretion require, in any suit for the enforcement of any right or remedy under the Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant. However, the provisions of the Indenture will not apply to any suit instituted by or against the Trustee, to any suit instituted by any Bondholder, or group of Bondholders of the series affected thereby, holding in the aggregate more than ten percent in principal amount of the Outstanding Bonds, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond on or after the Stated Maturity expressed in such Bond (or, in the case of redemption, on or after the redemption date of such Bond).

Supplemental Indentures

Without the consent of the Holders of any Bonds and, under certain circumstances described in the Indenture, the District and the Trustee may from time to time enter into indentures supplemental to the Indenture or adopt a resolution amending the Bond Resolution or an amendment to the Standby Contribution Agreement (i) to correct or amplify the description of any property subject to the lien of the Indenture, or better to convey unto the Trustee any property subject to the lien of the Indenture, or better to assure, convey, and confirm unto the Trustee any property subject or required to be subjected to the lien of the Indenture, or to subject to the lien of the Indenture additional property; (ii) to add to the conditions, limitations and restrictions on the authorized amount, terms, or purposes of issue, authentication and delivery of Bonds any additional conditions, limitations and restrictions thereafter to be observed; (iii) to evidence the succession of another entity to the District and the assumption by any such successor of the covenants of the District in the Indenture, the Bond Resolution, the Standby Contribution Agreement or the Bonds; (iv) to add to the covenants of the District for the benefit of the Holders of all the Bonds; or (v) to cure any ambiguity, to correct or supplement any provision in the Indenture or the Bond Resolution or the Standby Contribution Agreement which may be inconsistent with any other provisions thereof, or to make any other provisions for matters arising thereunder which will not be inconsistent with the provisions thereof, if such actions will not adversely affect the interests of the Bondholders.

With the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds affected by such supplemental indenture and, under certain circumstances described in the Indenture, the District and the Trustee may also enter into indentures supplemental to the Indenture or resolutions amending the Bond Resolution for the purpose of adding any other provisions to or changing in any other manner or eliminating any of the provisions of the Indenture or of modifying in another manner the rights of the Bondholders under the Indenture or the Bond Resolution. However, no supplemental indenture or amending resolution, without the consent of the Holder of each Outstanding Bond affected thereby, is permitted by the Indenture to (i) change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount of or the interest on, any Bond, or change any place of payment where, or the coin or currency in which, any Bond or the interest on any Bond is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date); (ii) reduce the percentage in principal amount of the Outstanding Bonds the consent of the Holders of which is required for any supplemental indenture, or the consent of Holders of which is required for any waiver provided for in the Indenture

of compliance with certain provisions of the Indenture or certain defaults under the Indenture and their consequences; (iii) modify or alter the provisions of the proviso to the definition of the term “Outstanding” in the Indenture; or (iv) modify any of the provisions of the Indenture concerning approval of supplemental indentures or amending resolution except to increase any percentage of the Holders of Bonds necessary for approval or to provide that certain provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby. The Trustee may in its discretion determine whether or not any Bonds would be affected by any supplemental indenture or amendment to the Bond Resolution and any such determination will be conclusive upon each Bondholder, whether theretofore or thereafter authenticated and delivered under the Indenture. The Trustee will not be liable for any such determination made in good faith.

Concerning the Trustee

The Trustee has undertaken to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations should be read into the Indenture against the Trustee. If any event of default under the Indenture has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by the Indenture and will use the same degree of care as a prudent person would exercise or use in the circumstances or in the conduct of such prudent person’s own affairs. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture or the Standby Contribution Agreement. However, in the case of any such certificates or opinions which by any provision of the Indenture or the Standby Contribution Agreement are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform on their face to the requirements of the Indenture or the Standby Contribution Agreement, as applicable.

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

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

Except as otherwise provided in the Indenture:

1. the Trustee may rely and will be protected in acting or refraining from acting upon:
 - a. any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, telex or other paper, document, or communication reasonably believed by it to be genuine and to have been signed or presented by the proper persons; and
 - b. failure of the Trustee to receive any such paper, document, or communication, if prior receipt thereof is required by the Indenture or the Standby Contribution Agreement before the Trustee is to take or refrain from taking any action;

2. any request or direction of the District mentioned in the Indenture will be sufficiently evidenced by a request of the District, and any order or resolution of the District may be sufficiently evidenced by a resolution of the board of the District;
3. whenever in the administration of the Indenture the Trustee will deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action described hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of an officer of the District as described in the Indenture;
4. the Trustee may consult with legal counsel and the written advice of such counsel will be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Trustee under the Indenture in good faith and in reliance thereon;
5. the Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Bondholders pursuant to the Indenture, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities which might be incurred by it in compliance with such request or direction;
6. the Trustee will not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee determines to make such further inquiry or investigation, it will be entitled to examine the books, records, and premises of the District, personally or by agent or attorney; and
7. the Trustee may execute any of the trusts or powers hereunder or perform any duties under the Indenture either directly or by or through agents or attorneys, and the Trustee will not be responsible for any misconduct or negligence on the part of any agent or attorney appointed, with due care by it.

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

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

The Trustee may be removed at any time by act of the Holders of a majority in principal amount of the Outstanding Bonds, delivered to the Trustee and the District.

If at any time:

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

or affairs for the purpose of rehabilitation, conservation, or liquidation,

then, in any such case, the District may remove the Trustee.

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

Defeasance

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

1. all Bonds previously authenticated and delivered under the Indenture have been canceled by the Trustee or delivered to the Trustee for cancellation, excluding however:
 - a. Bonds for the payment of which money has been deposited with the Trustee or a paying agent, as provided by the provisions of the Indenture relating to redemption of the Bonds;
 - b. Bonds alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in the Indenture, except for any such Bond which prior to the satisfaction and discharge of the Indenture has been presented to the Trustee with a claim of ownership and enforceability by the Holder thereof and where enforceability has not been determined adversely against such Holder by a court of competent jurisdiction;
 - c. Bonds, other than those referred to in the foregoing clauses, for the payment or redemption of which there has been deposited with the Trustee in accordance with the provisions of the Indenture in trust for such purpose an amount sufficient to pay and discharge the entire indebtedness on such Bonds for principal and interest to the stated maturity or redemption date of such Bonds, as the case may be; and
 - d. Bonds deemed no longer Outstanding as a result of the deposit or escrow of money or Governmental Obligations or both as described below; and
2. the District has paid or caused to be paid all other sums payable by the District under the Indenture.

Any Bond will be deemed to be no longer Outstanding when payment of the principal of such Bond, plus interest thereon to its Maturity (whether such Maturity is by reason of the Stated Maturity or by call for redemption, if notice of such call has been given or waived or irrevocable arrangements for such notice satisfactory to the Trustee have been made), calculated at the maximum permitted rate for any period in which the rate of interest on the Bonds is unknown and has been provided by depositing money sufficient to make such payment or (ii) money and Governmental Obligations certified by an independent accountant of national reputation selected by the District to mature as to principal and interest in such amounts and at such times as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, provided that all necessary and proper fees, compensation and expenses of the Trustee and paying agents pertaining to the Bonds with respect to which such deposit is made have been paid or the payment thereof has been provided for to the satisfaction of the Trustee. Any deposit described above must be made either with the Trustee or, if notice of such deposit is given to the Trustee, or with a state or nationally chartered bank with a minimum combined

capital surplus of \$50,000,000 as escrow agent, with irrevocable instructions to transfer the amounts so deposited and investment income therefrom to the Trustee or to the paying agents in the amounts and at the times required to pay principal of and interest on the Bonds with respect to which such deposit is made at the maturity thereof and of such interest or the Stated Maturity, as the case may be. In the event such deposit is made with respect to some but not all of the Bonds then Outstanding, the Trustee is required to select the Outstanding Bonds with respect to which such deposit is made in the same manner as provided in the Indenture for the selection of Bonds to be redeemed.

No such deposit will have the effect specified above, however, (i) if made during the existence of a default under the Indenture, unless made with respect to all of the Bonds then Outstanding, and unless there is delivered to the Trustee an Opinion of Counsel to the effect that such deposit will not adversely affect any exemption from federal income taxation of interest on any Bond. Any money and Governmental Obligations deposited with the Trustee for such purpose is required to be held by the Trustee in a segregated account in trust for the Holders of the Bonds with respect to which such deposit is made and, together with any investment income therefrom, is required to be disbursed solely to pay the principal of and interest on such Bonds when due.

FORM OF STANDBY CONTRIBUTION AGREEMENT

STANDBY CONTRIBUTION AGREEMENT

DATED AS OF DECEMBER 1, 2023*

BY AND AMONG

**ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA),**

ESTRELLA NORTH LLC,

AND

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS TRUSTEE**

** Subject to change.*

TABLE OF CONTENTS

Parties		1
Recitals		1
ARTICLE 1	REPRESENTATIONS AND WARRANTIES OF OWNER.....	2
	Section 1.1. Representations and Warranties of Owner.....	2
ARTICLE 2	COVENANTS AND AGREEMENTS.....	3
	Section 2.1. Payments and Information	3
	Section 2.2. Nature of Obligations.....	4
	Section 2.3. No Set Off.....	6
	Section 2.4. Remedies.....	6
	Section 2.5. Waiver of Notice; Payment of Expenses	6
	Section 2.6. Incorporation by Reference.....	6
ARTICLE 3	AMENDMENTS	6
	Section 3.1. Amendment.....	6
ARTICLE 4	THE TRUSTEE AND THE ISSUER	7
	Section 4.1. Acceptance of Trusts.....	7
	Section 4.2. Issuer Acceptance	7
ARTICLE 5	RELEASE OF STANDBY CONTRIBUTION AGREEMENT	7
	Section 5.1. Release	7
ARTICLE 6	MISCELLANEOUS.....	7
	Section 6.1. Obligations.....	7
	Section 6.2. Entire Agreement.....	7
	Section 6.3. Validity	7
	Section 6.4. Execution as Consent.....	7
	Section 6.5. Governing Law	8
	Section 6.6. Benefit of Parties	8
	Section 6.7. Cancellation	8
	Section 6.8. E-Verify Requirements	8
	Section 6.9. No Boycott of Israel.....	8
	Section 6.10. Written Certification; Forced Labor of Ethnic Uyghurs Ban.....	9
Signatures		10

THIS STANDBY CONTRIBUTION AGREEMENT is entered into as of December 1, 2023*, by and among **ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA)** (the “*Issuer*”), **ESTRELLA NORTH LLC**, a Delaware limited liability company (the “*Owner*”) and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the “*Trustee*”) under that certain Indenture of Trust and Security Agreement, dated as of December 1, 2023* (the “*Indenture*”).

All initially capitalized terms used herein which are not otherwise defined shall have the meaning set forth in the Indenture.

RECITALS

A. The Issuer is issuing its General Obligation Bonds, Series 2023, in the aggregate principal amount of \$11,000,000* (the “*Bonds*”) concurrently herewith pursuant to the Indenture.

B. As provided in the Indenture and the Development, Financing Participation and Intergovernmental Agreement No. 1 by and among the Issuer, the City of Goodyear, Arizona (the “*City*”) and SunChase Estrella Limited Partnership and Residential Funding Corporation (as predecessor in interest to the Owner) (the “*Development Agreement*”), the proceeds derived from the issuance of bonds of the Issuer, including the Bonds, are to be used by the Issuer for the “public infrastructure” purposes as provided for in Title 48, Chapter 4, Article 6, Arizona Revised Statutes (“*A.R.S.*”), as amended (hereinafter referred to as the “*Enabling Act*”).

C. As provided in the Development Agreement and in the Feasibility Report presented to and approved by the Board on November 13, 2023 (the “*Feasibility Report*”), the Issuer shall provide for a mechanism by which the Owner shall contribute certain amounts for the benefit of the Issuer that shall be considered by the Issuer in levying taxes to pay Debt Service on the Bonds and satisfy the requirements of the Development Agreement.

D. The parties hereto desire to enter into this Standby Contribution Agreement to provide for a mechanism by which the Owner shall contribute certain amounts for the benefit of the Issuer which shall be considered by the Issuer in levying taxes to pay Debt Service on the Bonds and satisfy the requirements of the Development Agreement.

E. As provided in A.R.S. § 48-719(E), the Issuer may consider various sources of funds, including private contributions, in determining the Issuer’s tax levy.

In order to comply with the provisions of the Development Agreement in the issuance of the Bonds, the Owner does hereby covenant and agree with the Issuer and the Trustee as follows:

ARTICLE 1

REPRESENTATIONS AND WARRANTIES OF OWNER

Section 1.1. Representations and Warranties of Owner. The Owner represents, warrants and agrees as follows:

(A) The Owner (i) is a duly formed and validly existing limited liability company under the laws of the State of Delaware and authorized to do business in the State of Arizona; (ii) has no proceedings pending or contemplated with a view to liquidation or dissolution; and (iii) has the power and authority to execute and perform all the undertakings of this Standby Contribution Agreement.

(B) The execution, delivery and performance of the agreements, instruments and documents related to the Bonds to which the Owner is a party, including, but not limited to, this Standby Contribution Agreement,

* Subject to change.

were duly authorized and approved by resolution of the sole member of the Owner (the “*Member Action*”). The Member Action has not been altered, amended, repealed, revoked or rescinded, and remains in full force and effect as of the date hereof.

(C) Reserved.

(D) The persons executing this Standby Contribution Agreement on behalf of the Owner are duly qualified to execute this Standby Contribution Agreement.

(E) The Owner is not in default in the payment of principal of or interest on any indebtedness for borrowed money and is not in default under any instruments or agreements under or subject to which any indebtedness for borrowed money has been incurred and no event has occurred and is continuing under the provisions of any such instrument or agreement which, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(F) The consummation of the transactions contemplated hereby and compliance by the Owner with the provisions thereof will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, agreement or other instrument to which the Owner is a party or by which the Owner may be bound.

(G) The performance of this Standby Contribution Agreement by the Owner and fulfillment of its terms does not and will not conflict with or result in any breach, default or violation of any regulation, order or decree of any court or governmental department, commission, board, bureau or agency to which the Owner is a party or is subject.

(H) The Owner is not in violation of or in default with respect to any applicable law or any applicable rules, regulation or order of any court or any governmental department, commission, board, bureau, agency or instrumentality which would prevent or limit the Owner from entering into or carrying out its obligations hereunder.

(I) No litigation or administrative action or proceeding is pending or, to the knowledge of the undersigned, threatened, restraining or enjoining, or seeking to restrain or enjoin, the effectiveness of the Member Action or this Standby Contribution Agreement, or contesting or questioning the proceedings and authority under which this Standby Contribution Agreement has been authorized and is delivered and executed.

(J) There is no action, suit proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of its knowledge, overtly threatened against or affecting the Owner nor is there a basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Standby Contribution Agreement, or would materially adversely affect the net worth of the Owner.

(K) The 20[] ([] 1, 20[] to [] 1, 20[]) and 20[] ([] 1, 20[] to [] 1, 20[]) annual unaudited financial statements of the Owner and any subsidiaries and affiliates reported in the consolidated financial statements of the parent entity of the Owner contain no untrue statement of a material fact and do not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

ARTICLE 2

COVENANTS AND AGREEMENTS

Section 2.1. Payments and Information.

(A) In any tax year while this Standby Contribution Agreement is in effect and so long as the Issuer has adopted a resolution which fixes, levies and assesses a tax rate for such tax year of \$1.00 per \$100 of net assessed limited property valuation on property within the boundaries of the Issuer with respect to Debt Service (or such lesser tax rate as may be permitted in Section 10.01 of the Indenture), the Owner shall pay to the Trustee for the benefit of the Bondholders on or, if such day is not a Business Day, before March 15 of each year, commencing March 15, 2024, the Annual Owner Payment (as defined below):

Payment on or before March 15: On February 15 of each year, or if such day is not a Business Day, the immediately preceding Business Day, the Issuer shall certify to the Trustee the amount of Issuer property taxes that would be produced based upon a tax rate of \$1.00 per \$100 (or such lower rate as may be permitted in Section 10.01 of the Indenture) of net assessed limited property valuation (assuming 95% collection of taxes) based upon such current net assessed limited property valuation (the “*Tax Year Tax Amount*”). On February 20 of each year, or if such day is not a Business Day, the immediately preceding Business Day, the Trustee shall determine (a) the Debt Service (without regard to any optional redemption) due in the next succeeding calendar year on January 15 and July 15 (the “*Next Annual Debt Service Payment*”), (b) the amount in the Bond Fund estimated to be available to pay Next Annual Debt Service Payment, if any, after payment of the current year’s July 15th debt service payment (the “*Available Moneys*”), and (c) the remainder, if any, of (i) the Next Annual Debt Service Payment less (ii) the sum of (A) the Available Moneys and (B) the Tax Year Tax Amount (such remainder being referred to as the “*Annual Owner Payment*”). On March 10 of each year (or the immediately preceding Business Day as described above), the Trustee shall submit a request for payment to the Owner for payment of the Annual Owner Payment, which shall be paid by the Owner to the Trustee on or before March 15 and shall be deposited in the Bond Fund pursuant to the Indenture.

(B) In addition to the requirements set forth in Section 2.1(A) hereof, in any tax year while the Standby Contribution Agreement is in effect and so long as the Issuer has adopted a resolution that fixes, levies and assesses a tax rate for such tax year of \$1.00 per \$100 of net assessed limited property valuation on property within the boundaries of the Issuer with respect to Debt Service (or such lesser tax rate as may be permitted in Section 10.01 of the Indenture), the Trustee shall submit a request for payment to the Owner for payment of the December Owner Payment and the June Owner Payment (each as defined herein), respectively, which shall be paid by the Owner to the Trustee before December 24 and June 24 of each year and shall be deposited in the Bond Fund pursuant to the Indenture:

(i) **Payment on or before December 24:** On December 15 of each year, or if such day is not a Business Day, the immediately preceding Business Day, the Trustee shall determine the difference between the amount in the Bond Fund on such date and the amount necessary to pay Debt Service (without regard to any optional redemption) on the next succeeding January 15 (such difference being the “*December Owner Payment*”).

(ii) **Payment on or before June 24:** On June 15 of each year, or if such day is not a Business Day, the immediately preceding Business Day, the Trustee shall determine the difference between the amount in the Bond Fund on such date and the amount necessary to pay Debt Service (without regard to any optional redemption) on the next succeeding July 15 (such difference being the “*June Owner Payment*”).

(C) All payments by the Owner under this Section 2.1 shall be paid by the Owner to the Trustee in immediately available funds composed of lawful money of the United States of America and deposited in the Bond Fund.

(D) For the purpose of calculating the amounts due from the Owner hereunder, tax collections shall be allocated first to the payment of principal and interest on the Bonds.

Section 2.2. Nature of Obligations. The obligations of the Owner under this Standby Contribution Agreement shall be absolute and unconditional (except as set forth in Section 2.1 hereof) and shall remain in full force and effect until the Owner is released pursuant to Article 5 hereof. Such obligations shall not be affected, modified or impaired upon the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to, or the consent of, the Owner:

(A) the compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Issuer or of the Owner under the Development Agreement; or

(B) the failure to give notice to the Owner of the occurrence of an event of default under the terms and provisions of this Standby Contribution Agreement, the Indenture or the Development Agreement; or

(C) the waiver of the payment, performance or observance by the Issuer or the Owner of any of the obligations, covenants or agreements of any of them contained in the Indenture, the Development Agreement or this Standby Contribution Agreement; or

(D) the extension of the time for payment of any principal of, premium, if any, or interest on any Bond or the extension or renewal of the time for performance of any other obligations, covenants or agreements under or arising out of the Indenture, the Development Agreement or this Standby Contribution Agreement, whether or not with notice to the Owner; or

(E) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Indenture or the Development Agreement; or

(F) the taking or the omission of any of the actions referred to in the Indenture, the Development Agreement or this Standby Contribution Agreement (other than as set forth in Section 2.1 hereof); or

(G) any failure, omission, delay or lack on the part of the Issuer or the Trustee to enforce, assert or exercise any right, power or remedy conferred on the Issuer or the Trustee in this Standby Contribution Agreement (except as set forth in Section 2.1 hereof), the Indenture or the Development Agreement, or any other act or acts on the part of the Issuer, the Trustee or any of the owners from time to time of the Bonds; or

(H) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or re-adjustment of, or other similar proceedings affecting either of the Owner or the Issuer or any of the assets of either of them or any allegation or contest of the validity of this Standby Contribution Agreement, the Indenture or the Development Agreement, in any such proceeding; or

(I) the release or discharge of the Owner or the Issuer from the performance or observance of any obligation, covenant or agreement contained in the Development Agreement or the Indenture, by operation of and to the extent permitted by law; or

(J) to the extent permitted by law, the release or discharge of the Owner from the performance or observance of any obligation, covenant or agreement contained in this Standby Contribution Agreement by operation of law; or

(K) the default or failure of the Owner fully to perform any of its obligations set forth in this Standby Contribution Agreement or the Development Agreement; or

(L) the invalidity of the Development Agreement, the Indenture or the Bonds.

Section 2.3. No Set Off. Except as otherwise provided herein, no monetary set-off, reduction or diminution of an obligation, or any defense of any kind or nature that the Owner has or may have against the Issuer or the Trustee or that the Issuer may have against the Trustee shall be available hereunder to the Owner against the Trustee.

Section 2.4. Remedies. Upon the occurrence of any failure to pay amounts due hereunder, the Trustee, in its sole discretion, shall have the right to proceed first directly against the Owner under this Standby Contribution Agreement without proceeding against or exhausting any other remedies it may have against the Issuer or any other person, firm or corporation and without resorting to any other security held by the Issuer or the Trustee. Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses and to protect against all liability, except liability that is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

Section 2.5. Waiver of Notice; Payment of Expenses. The Owner hereby expressly waives notice from the Trustee or the owners from time to time of any of the Bonds of their acceptance and reliance on this Standby Contribution Agreement. To the extent permitted by applicable law, the Owner agrees to pay all costs, expenses and fees, including all reasonable attorneys' fees, that may be incurred by the Trustee in enforcing or attempting to enforce this Standby Contribution Agreement following any default on the part of the Owner hereunder, whether the same shall be enforced by suit or otherwise.

Section 2.6. Incorporation by Reference. This Standby Contribution Agreement is entered into by the Owner with the Trustee and the Issuer for the benefit of the Issuer, the Trustee and the owners from time to time of the Bonds, all of whom shall be entitled to enforce performance and observance of this Standby Contribution Agreement to the same extent provided for the enforcement of remedies under the Indenture.

ARTICLE 3

AMENDMENTS

Section 3.1. Amendment. The Owner, the Issuer and the Trustee, at any time and from time to time, may enter into one or more instruments supplemental hereto, under the conditions set forth in Article IX of the Indenture.

ARTICLE 4

THE TRUSTEE AND THE ISSUER

Section 4.1. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Standby Contribution Agreement and agrees to perform said trusts but only upon and subject to the terms and conditions set forth in Article VIII of the Indenture.

Section 4.2. Issuer Acceptance. The Issuer hereby accepts the application of the amounts contributed by the Owner pursuant to the provisions of this Standby Contribution Agreement and shall take such actions as are necessary to accomplish the purposes set forth herein.

ARTICLE 5

RELEASE OF STANDBY CONTRIBUTION AGREEMENT

Section 5.1. Release. This Standby Contribution Agreement shall be released by the Trustee upon direction by the Issuer in accordance with Section 6.04 of the Indenture. Upon release hereof, any monies paid by the Owner pursuant hereto that are held by the Trustee and are not required to pay Debt Service on the Bonds shall be returned to the Owner.

ARTICLE 6

MISCELLANEOUS

Section 6.1. Obligations. The obligations of the Owner hereunder shall arise absolutely and unconditionally when the Bonds shall have been issued, sold and delivered by the Issuer.

Section 6.2. Entire Agreement. This Standby Contribution Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 6.3. Validity. The invalidity or unenforceability of any one or more phrases, sentences, clauses or Sections in this Standby Contribution Agreement shall not affect the validity or enforceability of the remaining portions of this Standby Contribution Agreement, or any part thereof.

Section 6.4. Execution as Consent. Any consent, approval, direction or other instrument required by this Standby Contribution Agreement to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, approval, direction or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made pursuant to the Indenture, shall be sufficient for any of the purposes of this Standby Contribution Agreement and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument.

Section 6.5. Governing Law. This Standby Contribution Agreement shall be governed exclusively by the laws of the State of Arizona.

Section 6.6. Benefit of Parties. With the exception of rights herein expressly conferred, nothing herein expressed or mentioned in or to be implied from this Standby Contribution Agreement is intended or shall be construed to give to any person other than the parties hereto and the owners of the Bonds any legal or equitable right, remedy or claim under or in respect of this Standby Contribution Agreement. This Standby Contribution Agreement and all of the covenants, conditions and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereof and the owners of the Bonds herein provided and shall inure to the benefit of and bind their respective successors and assigns.

Section 6.7. Cancellation. As required by the provisions of A.R.S. § 38-511, notice is hereby given that the Issuer may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the Issuer if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Issuer is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Trustee and Owner covenant not to employ as an employee, an agent or, with respect to the subject matter of this Standby Contribution Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Standby Contribution Agreement on behalf of the Issuer within three years from the execution of this Standby Contribution Agreement, unless a waiver of A.R.S. § 38-511, is provided by the Issuer. No basis exists for the Issuer to cancel this Standby Contribution Agreement pursuant to A.R.S. § 38-511, as of the date hereof.

Section 6.8. E-Verify Requirements. To the extent applicable under A.R.S. § 41-4401, the Trustee and Owner shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the “e verify” requirements under A.R.S. § 23-214(A). The breach by the Trustee or the Owner of the foregoing shall be deemed a material breach of this Standby Contribution Agreement. The Issuer retains the legal right to randomly inspect the papers and records of the Trustee and Owner to ensure that the Trustee and Owner are complying with the above-mentioned warranty. To the extent, and subject to the limitations, of applicable law, the Trustee and the Owner shall keep such papers and records open for random inspection during normal business hours by the Trustee and the Owner, as applicable. To the extent, and subject to the limitations, of applicable law, the Trustee and the

Owner shall cooperate with the random inspections by the Issuer including granting the Issuer entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

Section 6.9. No Boycott of Israel. To the extent A.R.S. § § 35-393 through 35-393.03 are applicable, the Trustee and Owner hereby severally, and not jointly, each certify that it is not currently engaged in, and agrees for the duration of this Standby Contribution Agreement to not engage in, a “boycott” of goods or services from Israel, as that term is defined in A.R.S. § 35-393.

Section 6.10. Written Certification; Forced Labor of Ethnic Uyghurs Ban. To the extent A.R.S. § 35-394, is applicable, the Trustee and the Owner hereby certify they do not currently, and for the duration of this Standby Contribution Agreement shall not use: (A) the forced labor of ethnic Uyghurs in the People’s Republic of China, (B) any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China, and (C) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China. The foregoing certification is made to the best knowledge of the Trustee and the Owner without any current independent investigation or without any future independent investigation for the duration of this Standby Contribution Agreement. If either the Trustee or the Owner becomes aware during the duration of this Standby Contribution Agreement that it is not in compliance with such certification, the Trustee or the Owner shall take such actions as provided by law, including providing the required notice to the Issuer. If the Issuer determines that the Trustee is not in compliance with the foregoing certification and has not taken remedial action, the Issuer shall terminate the Trustee’s role as trustee pursuant to Article 8 of the Indenture. If the Owner is not in compliance with the foregoing certification, the Owner shall take remedial action to comply with such certification.

IN WITNESS WHEREOF, the parties hereto have caused this Standby Contribution Agreement to be executed in their respective corporate names by their respective officers, thereunto duly authorized and their respective corporate seals to be hereto affixed as of the date first above written.

**ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)**

By _____
District Manager

ATTEST:

District Clerk

ESTRELLA NORTH LLC, a Delaware limited liability company

By: _____
Name: _____
Its: _____

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

By: _____
Name: _____
Its: _____

FORM OF LEGAL OPINION OF BOND COUNSEL

[Closing Date]

District Board
Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona)

Re: Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona)
General Obligation Bonds, Series 2023

Honorable Board:

At your request we have examined the official proceedings leading to the issuance of \$11,000,000* aggregate principal amount of Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) General Obligation Bonds, Series 2023 (the “*Bonds*”), dated [Closing Date], issued by the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “*District*”).

We have examined the law and such documents and matters as we have deemed necessary to render this opinion including, without limitation, Resolution No. ____, passed and adopted by the Board of Directors of the District (the “*District Board*”) on November 13, 2023 (the “*Resolution*”). As to questions of fact material to our opinion we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certifications, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

Based upon the foregoing, we are of the opinion, as of this date, which is the date of initial delivery of the Bonds against payment therefor, that:

1. The District is duly created and validly existing as a community facilities district and political subdivision of the State of Arizona with power to pass and adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Resolution has been duly passed and adopted by the District Board and the Indenture of Trust and Security Agreement, dated as of December 1, 2023* (the “*Indenture*”), is valid and binding upon and enforceable against the District.
3. The Bonds and the proceedings leading to and including the issuance thereof are legal and constitute a valid and binding general obligation of the District.
4. All taxable property within the District is subject to the levy of a direct, annual, ad valorem tax to pay the principal of and interest on the Bonds without limit as to rate or amount. It is required by law that there be levied, assessed and collected, at the same time and in the same manner as other taxes, an annual tax upon all taxable property in the District sufficient, together with any money from other sources lawfully available therefor, including amounts from a Standby Contribution Agreement, dated as of December 1, 2023*, to pay the principal of and interest on the Bonds when due.

* Subject to change.

5. Under existing laws, regulations, rulings and judicial decisions, the interest income on the Bonds is excludable from gross income for the purpose of calculating federal income taxes and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code (as defined herein)) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The Bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain of the investment earnings with respect to the Bonds. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes from their date of issuance. The District has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the Bonds. For purposes of this opinion we have assumed continuing compliance by the District with such restrictions, conditions and requirements.

The rights of the owners of the Bonds and the enforceability of those rights and the rights and obligations of the District with respect to the Indenture and to collection of taxes may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights and the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

GUST ROSENFELD P.L.C.

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

\$11,000,000*

ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023

(CUSIP BASE NUMBER 29758A)

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

Section 1. Definitions.

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

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

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

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

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

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

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

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

* *Subject to change.*

Section 2. Contents and Provision of Annual Reports.

(a) (i) **SUBJECT TO ANNUAL APPROPRIATION TO COVER THE COSTS OF PREPARATION AND MAILING THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2024, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.**

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

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

(A) Information of the type in TABLES 2, 3, 4, 6, 7 and 10 of the Official Statement, dated November __, 2023, with respect to the Securities.

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

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

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

Section 3. Reporting of Listed Events.

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

(i) Principal and interest payment delinquencies.

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

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

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

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

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

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

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

(ix) Defeasances.

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

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership or similar events of the obligated person, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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

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

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

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

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

Section 4. Termination of Reporting Obligation. The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. ***SUBJECT TO ANNUAL APPROPRIATION TO COVER THE COSTS OF PREPARATION AND MAILING THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH***

TERMINATION THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.

Section 5. Amendment or Waiver.

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

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

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

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

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

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs

and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Dated: [Closing Date]

ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)

By.....
Chairperson, Board of Directors

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Trustee for DTC.

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

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

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

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

Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

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

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

Payment of principal of and interest on the Bonds and the redemption price of any Bond will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or 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.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof. The Beneficial Owners should confirm this information with DTC or the DTC participants.

APPENDIX G

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2022

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY