

PRELIMINARY OFFICIAL STATEMENT DATED JULY ___, 2025**NEW ISSUE-FULL BOOK ENTRY****NOT RATED**

In the opinion of Jones Hall LLP, San Mateo, California, as Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2025 Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

\$8,620,000*

**COUNTY OF EL DORADO
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(CARSON CREEK HERITAGE VILLAGE 11)
SPECIAL TAX BONDS SERIES 2025**

Dated: Date of Delivery**Due: September 1, as shown below**

The bonds captioned above (the "2025 Bonds") are being issued by the County of El Dorado (the "County"), by and through its Community Facilities District No. 2024-1 (Carson Creek Heritage Village 11) (the "District"). The 2025 Bonds are special tax obligations of the County, authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "Act"), and will be issued pursuant to a Fiscal Agent Agreement dated as of August 1, 2025 (the "Fiscal Agent Agreement") by and between the County and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). See "THE BONDS – Authority for Issuance." The 2025 Bonds are being issued to (i) finance certain capital improvements authorized for the District, (ii) establish a debt service reserve fund, and (iii) pay the costs of issuance of the 2025 Bonds. Interest on the 2025 Bonds is payable semiannually on March 1 and September 1 each year, commencing March 1, 2026.

The 2025 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. See "APPENDIX F – THE BOOK-ENTRY SYSTEM."

The 2025 Bonds are secured by and payable from a pledge of Special Tax Revenues (as defined herein) derived from Special Taxes (as defined herein) to be levied by the County on real property within the District, from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Taxes, and from amounts held in certain funds under the Fiscal Agent Agreement, subject to the conditions of the Fiscal Agent Agreement, all as more fully described herein. Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the parcel of real property securing the delinquent Special Tax. There is no assurance the owners will be able to pay the Special Tax or that they will pay a Special Tax even if financially able to do so. The 2025 Bonds are also secured by amounts in the debt service reserve fund established for the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Property subject to the Special Tax is being developed by Lennar Homes of California, LLC ("Lennar Homes") into 409 detached, age-restricted single-family residential homes across three product lines. Sales of homes are underway in the project, which is known as "Heritage Carson Creek" and is a continuation of Lennar Homes' nearby "Carson Creek" development that is sold-out. Lennar Homes is acquiring lots over time from an unaffiliated landbank per a take-down schedule, as described herein. As of the May 23, 2025 date of an appraisal (described herein), of the 409 total planned homes in the District, 228 homes were under construction or completed, 75 of which were owned by individual homeowners, and an additional 21 of which were sold-but-not-yet closed to individual homeowners. See "THE DISTRICT" and "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT."

The 2025 Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2025 BONDS, EXCEPT TO THE EXTENT DESCRIBED HEREIN. THE 2025 BONDS DO NOT CONSTITUTE A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION AND ARE PAYABLE SOLELY FROM THE SPECIAL TAX REVENUES AND OTHER FUNDS PLEDGED UNDER THE FISCAL AGENT AGREEMENT. THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING INFORMATION UNDER THE HEADING "SPECIAL RISK FACTORS," SHOULD BE READ IN ITS ENTIRETY.

This cover page contains certain information for general reference only. It is not a summary of all of the provisions of the 2025 Bonds. Prospective investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See "SPECIAL RISK FACTORS" herein for a discussion of the special risk factors that should be considered, in addition to the other matters and risk factors set forth herein, in evaluating the investment quality of the 2025 Bonds.

The 2025 Bonds are offered when, as and if issued, subject to approval as to their legality by Jones Hall LLP, San Mateo, California, as Bond Counsel. Certain legal matters will also be passed on by Jones Hall LLP, as Disclosure Counsel, and Stradling, Yocca, Carlson & Rauth LLP, as counsel to the Underwriter. It is anticipated that the 2025 Bonds will be available for delivery through the facilities of DTC on or about August ___, 2025.

[Stifel logo]

The date of this Official Statement is _____, 2025.

* Preliminary, subject to change.

COUNTY OF EL DORADO
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(CARSON CREEK HERITAGE VILLAGE 11)
SPECIAL TAX BONDS SERIES 2025

MATURITY SCHEDULE

\$_____ Serial Bonds

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u> <u>(_____)</u>
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\$_____ % Term Bond Due September 1, _____; Price: _____%; Yield: _____%; CUSIP: _____

\$_____ % Term Bond Due September 1, _____; Price: _____%; Yield: _____%; CUSIP: _____

† CUSIP Global Services (CGS) is managed on behalf of American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the County, the Fiscal Agent or the Underwriter take any responsibility for the accuracy of the CUSIP data.

COUNTY OF EL DORADO, CALIFORNIA

Board of Supervisors

Greg Ferrero, District No. 1
George Turnboo, District No. 2
Brian Veerkamp, District No. 3
Lori Parlin, District No. 4
Brooke Laine, District No. 5

County Officials

Jon DeVille, Assessor
Joe Harn, Auditor-Controller
K.E. Coleman, Treasurer-Tax Collector

County Staff

Tiffany Schmid, Chief Administrative Officer
David A. Livingston, County Counsel

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Jones Hall LLP
San Mateo, California

Special Tax Consultant

NBS Government Finance Group
Temecula, California

Fiscal Agent

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

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the 2025 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2025 Bonds.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the County or the Developer, in any press release and in any oral statement made with the approval of an authorized officer of the County or the Developer, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements.” Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the County since the date hereof.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representations in connection with the offer or sale of the 2025 Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the County or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2025 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. All summaries of the documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

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

THE 2025 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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OFFICIAL STATEMENT

\$8,620,000*
COUNTY OF EL DORADO
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(CARSON CREEK HERITAGE VILLAGE 11)
SPECIAL TAX BONDS SERIES 2025

This Official Statement, including the cover page and all appendices hereto, is provided to furnish certain information in connection with the issuance by the County of El Dorado (the “**County**”), by and through its El Dorado County Community Facilities District No. 2024-1 (Carson Creek Heritage Village 11) (the “**District**”), of the bonds captioned above (the “**2025 Bonds**”).

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

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the 2025 Bonds to potential investors is made only by means of the entire Official Statement.

The District. On February 27, 2024, the Board of Supervisors adopted Resolution No. 030-2024 (the “**Resolution of Formation**”), which formed the District (and designated “**Improvement Area No. 1**” as an initial improvement area therein). The bonded indebtedness authorization for the District was established at \$35,000,000 and approved by the vote of R-Hearthstone Lot Option Pool, L.P., a Delaware limited partnership (the “**Land Bank**”), as the sole owner of land in the District at the time of formation, which entity is a landbank for Lennar Homes of California, LLC, a California limited liability company (“**Lennar Homes**”). The formation included designating an initial boundary of the District as its Improvement Area No. 1 and designating a Future Annexation Area, with parcels in the Future Annexation Area eligible for annexation into the District via a unanimous consent form signed by the landowner(s). In July 2024, the landowners and the County determined not to use an improvement area structure for the District and land within the Future Annexation Area was annexed into the District. As a result, the Improvement Area No. 1 designation will not be used as a separate area for issuing bonds for the District or for any other purpose. See “THE DISTRICT.”

* Preliminary; subject to change.

Authority for Issuance. The 2025 Bonds are issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311, *et seq.*, of the Government Code of the State of California) (the “**Act**”) and pursuant to a Fiscal Agent Agreement, dated as of August 1, 2025 (the “**Fiscal Agent Agreement**”) by and between the County and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “**Fiscal Agent**”) and a resolution (the “**Resolution**”) adopted on July [15], 2025 by the Board of Supervisors of the County (the “**Board of Supervisors**”), which authorized the issuance of the 2025 Bonds payable from Special Taxes (as defined herein) levied on property within the District according to a methodology approved by the County. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Bond Terms. The 2025 Bonds will be dated as of and bear interest from the date of delivery thereof at the rate or rates set forth on the cover page of this Official Statement. Interest on the 2025 Bonds is payable on March 1 and September 1 of each year (each an “**Interest Payment Date**”), commencing March 1, 2026. The 2025 Bonds will be issued without coupons in denominations of \$5,000 or any integral multiple thereof.

Registration of Ownership of 2025 Bonds. The 2025 Bonds will be issued only as fully registered bonds in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”). Ultimate purchasers of 2025 Bonds will not receive physical certificates representing their interest in the 2025 Bonds. So long as the 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the 2025 Bonds. Payments of the principal, premium, if any, and interest on the 2025 Bonds will be made directly to DTC, or its nominee, Cede & Co. so long as DTC or Cede & Co. is the registered owner of the 2025 Bonds. Disbursements of such payments to DTC’s Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX F – THE BOOK-ENTRY SYSTEM.”

Use of Proceeds. Proceeds of the 2025 Bonds will primarily be used to pay for the costs of the acquisition and/or construction of public facilities and/or development impact fees authorized to be financed by the Special Taxes (the “**Facilities**,” as described herein). The Facilities consist generally of roadway and transportation improvements, intersection and signal improvements, sanitary sewer systems, drainage systems, potable water systems, landscaping improvements, development impact fees, and other infrastructure improvements necessary for development of property within the District, as well as park and open space improvements (which include environmental mitigation costs). See “THE FACILITIES.” Proceeds of the 2025 Bonds will also be used to establish a Reserve Fund (described below), and to pay cost of the issuance of the 2025 Bonds.

Source of Payment of the 2025 Bonds. The Board of Supervisors covenanted to annually levy special taxes on the property in the District (the “**Special Taxes**”) in accordance with the Rate and Method of Apportionment of Special Taxes for the District (the “**Rate and Method**”). The Rate and Method is attached as APPENDIX A to this Official Statement. The 2025 Bonds and any Additional Bonds (as defined herein, collectively, the “**Bonds**”) are secured by and payable from a first pledge of the “**Special Tax Revenues**,” which means the proceeds of the Special Taxes received by the County, including any scheduled payments thereof, interest and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said interest (but not including any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure). Special Taxes are the special taxes levied by the County within the District pursuant to the Rate

and Method under the Act, an ordinance of the Board of Supervisors and the Fiscal Agent Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Tax Methodology” and “APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

Pursuant to the Act, the Resolution of Formation, and the Fiscal Agent Agreement, so long as any Bonds are outstanding, the County will annually levy the Special Tax against all land within the District that is taxable under the Act and the Rate and Method in accordance with the proceedings for the authorization and issuance of the Bonds and to make provision for the collection of the Special Tax in amounts which will be sufficient to pay interest on, principal of and redemption premium (if any) on the Bonds as such becomes due and payable and to replenish the Reserve Fund (as defined herein) as necessary. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Taxes.”

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of any of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the real property on which the Special Tax is delinquent. The unpaid Special Taxes are not required to be paid upon sale of property within the District.

Additional Bonds. The maximum authorized indebtedness for the District is \$35,000,000, and the 2025 Bonds are the first series of bonds being issued under such authorization. The County may issue additional bonds secured on parity with the Bonds (“**Additional Bonds**”), subject to the conditions set forth in the Fiscal Agent Agreement. Additional Bonds are contemplated to be issued in the future, as development progresses. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds.”

Reserve Fund. Under the Fiscal Agent Agreement, the Fiscal Agent will establish a debt service reserve fund (the “**Reserve Fund**”) in the amount of the Reserve Requirement (defined herein), which amount is available to be transferred to the Bond Fund in the event of delinquencies in the payment of the Special Taxes, to the extent of such delinquencies. The Reserve Fund is required to be maintained at the Reserve Requirement from moneys available under the Fiscal Agent Agreement in order to further secure the payment of principal of and interest on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Reserve Fund.”

Covenant to Foreclose. The County has covenanted in the Fiscal Agent Agreement to cause foreclosure proceedings to be commenced and prosecuted against parcels with delinquent installments of the Special Taxes in certain circumstances. For a more detailed description of the foreclosure covenant see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure.”

Property Subject to the Special Tax. Property subject to the Special Tax is being developed by Lennar Homes into 409 detached, age-restricted single-family residential homes across three product lines in four planned villages. Final maps have been recorded for three of the four villages. The development is being marketed as “Heritage Carson Creek” and is a continuation of Lennar Homes’ nearby “Carson Creek” development that is sold-out. Lennar Homes is acquiring lots over time from an unaffiliated landbank per a take-down schedule, as described herein. As of the May 23, 2025 date of the Appraisal (defined herein), of the 409 total planned homes in the District, 228 homes were under construction or completed, 75 of which were owned by individual homeowners, and an additional 21 of which were sold-but-not-yet closed to individual homeowners. See “THE DISTRICT” and “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT.”

Appraised Value of Taxable Property. Taxable Property in the District is security for the Special Taxes. The County ordered preparation by Integra Realty Resources, Sacramento, California (the “Appraiser”) of an appraisal report, which sets forth the estimated value of the taxable land within the District as of the indicated date of value (the “Appraisal”). The Appraiser indicates a value estimate as of May 23, 2025, and subject to the conditions and qualifications set forth therein, for the 409 lots in the District is \$122,649,000. The Appraisal is set forth in its entirety in APPENDIX B. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. In considering the estimates of value evidenced by the Appraisal, it should be noted that the Appraisal is based upon a number of standard and special assumptions that affected the estimate as to value, in addition to the assumption of completion of the facilities and/or payment of the fees expected to be funded with the proceeds of the 2025 Bonds. See “VALUATION OF PROPERTY WITHIN THE DISTRICT – Appraised Value.”

Value to Lien Ratios. The principal amount of the direct and overlapping debt in the District is \$8,644,513*, which consists of the 2025 Bonds (\$8,620,000*) and \$24,513 of overlapping general obligation bonded indebtedness as of November 1, 2024. See “VALUATION OF PROPERTY WITHIN THE DISTRICT – Overlapping Liens and Priority of Lien.” Consequently, the estimated combined value of property in the District subject to the Special Tax lien (\$122,649,000), is approximately 8.75* times the principal amount of the direct and overlapping debt in the District. This value-to-lien ratios is an average; individual parcels may have value-to-lien ratios that are substantially different. See “VALUATION OF PROPERTY WITHIN THE DISTRICT – Value to Special Tax Burden Ratios.” Additional Bonds are expected to be issued in the future, which may reduce the value-to-lien ratio within the District unless significant development activity and home sales continue. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Additional Bonds.”

Risks of Investment. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of special factors that should be considered, in addition to the other matters set forth herein, in considering the investment quality of the 2025 Bonds.

Limited Obligation. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS, EXCEPT TO THE EXTENT DESCRIBED HEREIN. THE BONDS DO NOT CONSTITUTE A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION The general fund of the County is not liable and the full faith and credit of the County is not pledged for the payment of the interest on, or principal of or redemption premiums, if any, on the 2025 Bonds. The 2025 Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the County or any of its income or receipts, except the money in the Special Tax Fund, Bond Fund and the Reserve Fund established under the Fiscal Agent Agreement, and neither the payment of the interest on nor principal of or redemption premiums, if any, on the 2025 Bonds is a general debt, liability or obligation of the County, the State of California or any government or political subdivision thereof. The 2025 Bonds do not constitute an indebtedness of the County within the meaning of any constitutional or statutory debt limitation or restrictions and neither the Board of Supervisors, the County nor any officer or employee thereof are liable for the payment of the interest on or principal of or redemption premiums, if any, on the 2025 Bonds other than from the proceeds of the Special Taxes and the money in the Special Tax Fund, as provided in the Fiscal Agent Agreement.

* Preliminary; subject to change.

Summary of Information. Brief descriptions of certain provisions of the Fiscal Agent Agreement, the 2025 Bonds and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the Auditor-Controller of the County. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors' rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent Agreement. The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the County or the District since the date hereof.

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

SOURCES AND USES OF FUNDS

A summary of the estimated sources and uses of funds for the 2025 Bonds follows.

Estimated Sources of Funds:

Principal Amount of 2025 Bonds	\$
[Plus/Less] [Net] Original Issue Premium/Discount	_____
Total	\$

Estimated Uses of Funds:

Deposit to Acquisition and Construction Fund	\$
Deposit to Reserve Fund	
Costs of Issuance ⁽¹⁾	_____
Total	\$

(1) Includes fees and expenses of bond and disclosure counsel, the Fiscal Agent, and the special tax consultant, administrative fees of the County, Underwriter's discount, printing costs, and other costs of issuance.

THE 2025 BONDS

Authority for Issuance

The 2025 Bonds are issued pursuant to the Fiscal Agent Agreement, approved by the Resolution adopted by the Board of Supervisors, and the Act.

Description of the 2025 Bonds

Bond Terms. The 2025 Bonds will be dated as of and bear interest from the date of delivery thereof at the rates and mature in the amounts and years, as set forth on the cover page hereof. The 2025 Bonds are being issued in the denomination of \$5,000 or any integral multiple thereof. Interest on the 2025 Bonds will be payable semiannually on March 1 and September 1 of each year (each an “**Interest Payment Date**”), commencing March 1, 2026. The principal of the 2025 Bonds and premium, if any, due will be payable in lawful money of the United States of America at the principal corporate trust office of the Fiscal Agent, or such other place as designated by the Fiscal Agent, upon presentation and surrender of the 2025 Bonds; provided that so long as any 2025 Bonds are in book-entry form, payments with respect to such 2025 Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC.

Book-Entry Only System. The 2025 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), and will be available to ultimate purchasers under the book-entry system maintained by DTC. Ultimate purchasers of 2025 Bonds will not receive physical certificates representing their interest in the 2025 Bonds. So long as the 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the 2025 Bonds. The Fiscal Agent will make payments of the principal, premium, if any, and interest on the 2025 Bonds directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the 2025 Bonds. Disbursements of such payments to DTC’s Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX F – THE BOOK ENTRY SYSTEM.”

Calculation and Payment of Interest. Interest on the 2025 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the 2025 Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on each Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date, of any Owner of \$1,000,000 or more in aggregate principal amount of 2025 Bonds; provided that so long as any 2025 Bonds are in book-entry form, payments with respect to such 2025 Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC. See “APPENDIX F – BOOK ENTRY SYSTEM.”

Each 2025 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is

authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it will bear interest from the Dated Date; provided, however, that if at the time of authentication of a 2025 Bond, interest is in default thereon, such 2025 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. So long as the 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the 2025 Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX F – THE BOOK ENTRY SYSTEM" below.

Redemption

Optional Redemption. The 2025 Bonds are subject to optional redemption from any source of available funds, other than prepayments of the Special Tax, prior to maturity at the option of the County, in whole, or in part among maturities selected by the County and by lot within a maturity, on any date on or after September 1, 20__, at the following respective redemption prices (expressed as percentages of the principal amount of the 2025 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Dates	Redemption Price
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and thereafter	100

Mandatory Redemption From Prepayments. The 2025 Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities on a pro rata basis among the 2025 Bonds and any series of Additional Bonds and by lot within a maturity, on any Interest Payment Date, at the following respective redemption prices (expressed as percentages of the principal amount of the 2025 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Dates	Redemption Price
Interest Payment Dates to and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and Interest Payment Dates thereafter	100

Mandatory Sinking Fund Redemption. The Term 2025 Bonds maturing September 1, 20__ and September 1, 20__ are subject to mandatory sinking payment redemption in part on September 1, 20__ and September 1, 20__, respectively, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term 2025 Bonds of September 1, _____

Sinking Fund Redemption Date
(September 1)

Sinking Payments

Term 2025 Bonds of September 1, _____

Sinking Fund Redemption Date
(September 1)

Sinking Payments

The amounts in the foregoing tables will be reduced pro rata, in order to maintain substantially level debt service, as a result of any prior partial optional redemption or mandatory redemption of the 2025 Bonds.

Purchase In Lieu of Redemption. In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2025 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such 2025 Bonds were to be redeemed in accordance with the Fiscal Agent Agreement.

Redemption Procedure by Fiscal Agent. The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any 2025 Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing is not a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such 2025 Bonds.

Such notice will state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such 2025 Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such 2025 Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith shall be paid by the County.

The County shall have the right to rescind any notice of prepayment delivered by the Fiscal Agent prior to the date fixed for redemption.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2025 Bonds of any maturity or any given portion thereof, the Fiscal Agent will select the 2025 Bonds to be redeemed, from all 2025 Bonds or such given portion thereof not previously called for redemption, by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate; provided, however, that if 2025 Bonds are to be redeemed as a result of the prepayment of Special Taxes, 2025 Bonds shall be selected for redemption on a pro-rata basis

among maturities. Upon surrender of 2025 Bonds redeemed in part only, the County will execute and the Fiscal Agent will authenticate and deliver to the registered Owner, at the expense of the County, a new Bond or 2025 Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2025 Bonds so called for redemption are deposited in the Bond Fund, such 2025 Bonds so called will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Transfer or Exchange of 2025 Bonds

So long as the 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of 2025 Bonds will be made in accordance with DTC procedures. See "Appendix F – THE BOOK ENTRY SYSTEM." Any Bond may, in accordance with its terms, be transferred or exchanged by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any Bond or Bonds are surrendered for transfer or exchange, the County will execute and the Fiscal Agent will authenticate and deliver a new Bond or Bonds, for a like aggregate principal amount of 2025 Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer or exchange will be paid by the County. The Fiscal Agent will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange.

No transfers or exchanges of 2025 Bonds will be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of 2025 Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The 2025 Bonds are secured by and payable from a first pledge of “**Special Tax Revenues**” on a parity basis with any Additional Bonds that may be issued in the future. Special Tax Revenues are proceeds of the Special Taxes received by the County, including any scheduled payments or prepayments thereof, interest and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said interest, but shall not include any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure. Special Taxes are the special taxes levied by the County within the District under the Act, pursuant to the Rate and Method, an Ordinance of the Board of Supervisors of the County and the Fiscal Agent Agreement.

Pursuant to the Act, the Rate and Method, the Resolution of Formation, the Fiscal Agent Agreement and an Ordinance of the County, the County will annually levy the Special Taxes in an amount sufficient to pay the principal of and interest on the Bonds (consisting of the 2025 Bonds and any Additional Bonds that may be issued in the future).

The Bonds are also secured by a first pledge of all moneys deposited in the Bond Fund and in the Reserve Fund established for the Bonds under the Fiscal Agent Agreement. Furthermore, on an annual basis, until disbursed as provided in the Fiscal Agent Agreement, the Bonds are secured by a first pledge of all moneys in the Special Tax Fund. The Special Tax Revenues and all moneys deposited into such funds are dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided in the Fiscal Agent Agreement, until all of the Bonds have been paid and retired or until moneys or Federal Securities (as defined in the Fiscal Agent Agreement) have been set aside irrevocably for that purpose.

Amounts to be transferred into the Administrative Expense Fund established under the Fiscal Agent Agreement are to be made on a subordinate basis to amounts necessary to be paid on the Bonds.

The Facilities financed with the proceeds of the 2025 Bonds are not in any way pledged to pay the debt service on any of the Bonds. Any proceeds of condemnation, destruction or other disposition of any such facilities are not pledged to pay the debt service on the Bonds and are free and clear of any lien or obligation imposed under the Fiscal Agent Agreement.

Special Taxes

The County has covenanted in the Fiscal Agent Agreement to comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the collection of delinquent Special Taxes through foreclosure proceedings. The Fiscal Agent Agreement provides that the Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property.

Because the Special Tax levy is limited to the maximum Special Tax rates set forth in the Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the receipts of Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay the Bonds. In addition, Section 53321(d) of the Act provides that

the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults.

A Special Tax applicable to each taxable parcel in the District will be levied and collected according to the tax liability determined by the Board of Supervisors through the application of the Rate and Method prepared by NBS, Temecula, California (the “**Special Tax Consultant**”), which is set forth in APPENDIX A. Interest and principal on the Bonds is payable from the annual Special Taxes to be levied and collected on taxable property within the District, from amounts held in the funds and accounts established under the Fiscal Agent Agreement (other than the Rebate Fund) and from the proceeds, if any, from the sale of such property for delinquency of such Special Taxes.

The Special Taxes are exempt from the property tax limitation of Article XIII A of the California Constitution, pursuant to Section 4 thereof, as a “special tax” authorized by a two-thirds vote of the qualified electors. The levy of the Special Taxes was authorized by the County pursuant to the Act in an amount determined according to the Rate and Method approved by the County as approved by a two-thirds vote of the qualified electors. See “– Special Tax Methodology” below and “APPENDIX A – Rate and Method of Apportionment.”

The amount of Special Taxes that may be levied in any year, and from which principal and interest on the Bonds is to be paid, is strictly limited by the maximum rates set forth as the annual “**Maximum Special Tax**” in the Rate and Method. Under the Rate and Method, Special Taxes for the purpose of making payments on the Bonds will be levied annually in an amount, not in excess of the annual Maximum Special Tax. The Special Taxes and any interest earned on the Special Taxes constitute a trust fund for the principal of and interest on the Bonds pursuant to the Fiscal Agent Agreement and, so long as the principal of and interest on these obligations remains unpaid, the Special Taxes and investment earnings thereon will not be used for any other purpose, except as permitted by the Fiscal Agent Agreement, and will be held in trust for the benefit of the owners thereof and will be applied pursuant to the Fiscal Agent Agreement. The Rate and Method apportions the Special Tax Requirement (as defined in the Rate and Method and described below) among the taxable parcels of real property within the District according to the rate and methodology set forth in the Rate and Method. See “– Special Tax Methodology” below. See also “APPENDIX A – Rate and Method of Apportionment.”

The County has covenanted to annually levy the Special Taxes in an amount at least sufficient to satisfy the Special Tax Requirement (as defined below). Because each Special Tax levy is limited to the annual Maximum Special Tax rates authorized as set forth in the Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the amount of the Special Tax Requirement will in fact be collected in any given year. See “SPECIAL RISK FACTORS – Collection of Special Taxes” herein. The Special Taxes are collected for the County by the District in the same manner and at the same time as ad valorem property taxes.

Special Tax Methodology

The Special Tax authorized under the Act applicable to land within the District will be levied and collected according to the tax liability determined by the County through the application of the appropriate amount or rate as described in the Rate and Method set forth in “APPENDIX A – Rate and Method of Apportionment.” Capitalized terms set forth in this section and not otherwise defined have the meanings set forth in the Rate and Method. *The discussion below incorporates*

summaries of certain provisions of the Rate and Method, the complete text of which appears in APPENDIX A.

Annual Special Tax Requirement. The Rate and Method provides that the Special Tax levy each fiscal year is calculated by first determining the “**Annual Special Tax Requirement**” for the fiscal year. The Annual Special Tax Requirement is defined in the Rate and Method to be the total required each fiscal year to (1) pay Debt Service on all Outstanding Bonds which is due in the Debt Year that commences in such fiscal year; (2) pay Debt Service on bonds expected to be issued for the District due in the Debt Year that commences in such fiscal year; (3) pay Administrative Expenses, (4) provide any amount required to establish or replenish a reserve fund in connection with any Bonds; (5) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act, and without duplicating any amounts described in clauses (3) or (4); and (6) account for Pay-As-You-Go Expenditures for the Authorized Facilities. The amounts referred to in clauses (1) through (5) of the preceding sentence may be reduced in any Fiscal Year (in the County's sole discretion) by (i) surplus balances in funds and accounts for Bonds to the extent that such balances are available to apply against Debt Service, (ii) proceeds from the collection of penalties associated with delinquent Special Tax, and (iii) any other revenues available to pay Debt Service on the Outstanding Bonds or other indebtedness as determined by the CFD Administrator.

Pursuant to the Rate and Method, the County will prepare a list of the County Assessor's parcels based on the equalized tax rolls as of each January 1 (the “**Parcels**”). Such rolls reflect ownership of taxable parcels as of January 1 of each year. No Special Tax will be assigned to parcels classified as tax-exempt parcels, i.e., parcels that are, or are intended to be publicly owned and are exempt from the levy of general *ad valorem* property taxes, such as Public Property or a parcel for which the Special Tax has been prepaid in full. Certain privately owned parcels also may be exempt, including common areas owned by homeowner's associations or property owner associations, wetlands, detention basins, water quality ponds and open space, as determined by the District administrator.

Classification of Taxable Property. Each year, taxable parcels are divided into Developed Property (defined in the Rate and Method as being all Taxable Property in each Fiscal Year for which a Building Permit was issued on or before April 30 of the preceding Fiscal Year), Final Map Property (defined in the Rate and Method as being all Taxable Property for which a Final Map has been recorded on or before April 30 of the preceding Fiscal Year), Taxable Property Owner Association Property, Taxable Public Property or Undeveloped Property (defined in the Rate and Method as being all Taxable Property not classified as Developed Property, Final Map Property, Taxable Property Owner Association Property or Taxable Public Property), and shall be subject to allocation of Special Taxes in accordance with the Rate and Method. See APPENDIX A.

Methodology for Annual Levy of Special Tax. The County will cause the Special Tax to be levied each Fiscal Year in an amount equal to the Annual Special Tax Requirement by levying parcels in the following priority:

First: The Special Tax shall be levied on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax for such Fiscal Year.

Second: If additional monies are needed to satisfy the Annual Special Tax Requirement after the first step has been completed, the Special Tax shall be levied

Proportionately on each Assessor's Parcel of Final Map Property at up to 100% of the Maximum Special Tax for Final Map Property.

Third: If additional monies are needed to satisfy the Annual Special Tax Requirement after the first and second step have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property.

Fourth: If additional monies are needed to satisfy the Annual Special Tax Requirement after the first, second and third steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax for Taxable Property Owner Association Property.

Fifth: If additional monies are needed to satisfy the Annual Special Tax Requirement after the first through fourth steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to 100% of the Taxable Public Property.

The Rate and Method provides that the funding of Facilities can also be made from collections of the Special Tax available as the "pay-as-you-go" component of Special Taxes. Under no circumstances can the Special Tax levied against any parcel for which an occupancy permit for private residential use has been issued be increased as a consequence of delinquency or default by the owner of any other parcel within the District by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults.

Fiscal Year 2025-26 Special Tax Rates. The following table shows Fiscal Year 2025-26 Maximum Special Tax and estimated Special Tax levy amounts.

Table 1
County of El Dorado
Community Facilities District No. 2024-1 (Carson Creek Heritage Village 11)
Fiscal Year 2025-26 Maximum Special Tax Rates and Projected Revenues

Product	Lot Size	Planned Residential Units	FY 2025/26 Maximum Special Tax Rates ⁽¹⁾	FY 2025/26 Maximum Special Tax Revenues ⁽²⁾	FY 2025/26 Actual Special Tax Levy ⁽³⁾
Village 11A					
Roxbury	45' x 105'	34	\$2,301.12	\$78,238	\$78,238
Mosaic	45' x 105'	21	2,718.30	57,084	21,746
Legends	55' x 105'	58	3,650.58	211,734	200,782
	<i>Subtotal 11A</i>	<i>113</i>		<i>\$347,056</i>	<i>\$300,766</i>
Village 11B					
Roxbury	45' x 105'	31	\$2,301.12	\$71,335	\$71,335
Mosaic	45' x 105'	73	2,718.30	198,436	135,915
Legends	55' x 105'	7	3,650.58	25,554	25,554
	<i>Subtotal 11B</i>	<i>111</i>		<i>\$295,325</i>	<i>\$232,804</i>
Village 11C					
Roxbury	45' x 105'	37	\$2,301.12	\$85,141	\$29,915
Mosaic	45' x 105'	3	2,718.30	8,155	0
Legends	55' x 105'	58	3,650.58	211,734	65,710
	<i>Subtotal 11C</i>	<i>98</i>		<i>\$305,030</i>	<i>\$95,625</i>
Village 11D					
Roxbury	45' x 105'	40	\$2,301.12	\$92,045	\$0
Mosaic	45' x 105'	47	2,718.30	127,760	0
	<i>Subtotal 11D</i>	<i>87</i>		<i>\$219,805</i>	<i>\$0</i>
Totals		409		\$1,167,216	\$629,195

(1) Reflects the reduced Maximum Annual Special Tax Rates effective for Fiscal Year 2025-26. Maximum rates increase by 2% each fiscal year.

(2) Assumes full build-out.

(3) Based on building permits issued and maps recorded as of April 30, 2025.

Source: NBS.

Prepayment of Special Tax. Property owners may permanently satisfy the Special Tax obligation of a parcel by a cash settlement with the County as permitted under Government Code Section 53344. The procedure for permanently satisfying the Special Tax obligation is set forth in the Rate and Method. See APPENDIX A. Pursuant to the Fiscal Agent Agreement, the County is required to transfer amounts received as prepayments of the Special Tax to the Fiscal Agent to be used to redeem Bonds or portions thereof. See “THE BONDS – Redemption.”

Termination of Special Tax. The Rate and Method provides that the Special Tax shall be levied and collected as needed to fund the Annual Special Tax Requirement for up to 45 years from the initial levy of the Special Tax. In any event no Special Tax shall be levied for the District after the 2069-70 Fiscal Year.

Levy of Annual Special Tax; Maximum Special Tax

The Act provides that the Special Tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes. The County may deduct the reasonable administrative costs incurred in collecting the Special Tax. In

the Resolution of Formation, the Board has reserved the right to utilize any method of collecting the Special Tax which it will from time to time determine to be in the best interests of the County. In the Fiscal Agent Agreement the County has covenanted for the Special Taxes to be levied annually on the *ad valorem* property tax bills prepared by the County Tax Collector for taxable parcels and to be collected in the same manner and, except with respect to foreclosure as provided below under "Delinquent Payments of Special Tax; Covenant for Foreclosure," subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* property taxes. The Fiscal Agent Agreement also authorizes the County to collect the Special Tax on an "as-needed" basis through direct billing to property owners.

Section 4701 et seq. of the California Revenue and Taxation Code authorizes counties, at their option, to adopt an Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds specified therein (the "**Teeter Plan**") to simplify the tax-levying and apportioning process and increase flexibility in the use of available cash resources. For so long as a Teeter Plan is in effect in a particular county, each entity levying property taxes of a class covered by such county's Teeter Plan may draw on the uncollected taxes and assessments credited by the county to such entity's fund following completion of the tax roll whether or not the amount credited has actually been collected. Penalties and collection costs, when received, will be credited to various County-maintained funds rather than to the participating levying entity.

The County has a Teeter Plan in effect with respect to the collection of the 1% base *ad valorem* property tax and with respect to general obligation bonds, but not with respect to special taxes or special assessments. The result is that the amount of the Special Tax that may be drawn upon by the County will be limited to actual collections credited to the Special Tax Fund (as defined herein) rather than amounts allocated to such fund in anticipation of collections as provided for with respect to Teeter Plan levies. For information concerning limits on *ad valorem* property taxes and the existence of other public and private debt encumbering property within the District, see "ASSESSED VALUATION OF PROPERTY IN THE DISTRICT – Overlapping Liens and Priority of Lien."

Pursuant to the Fiscal Agent Agreement, the County is required, upon receipt of Special Taxes, to deposit such proceeds in the Special Tax Fund, which is held by the County. Moneys in the Special Tax Fund are to be disbursed, as received and as needed, as provided in the Fiscal Agent Agreement.

In addition to payment of the Special Tax, the property owners within the District will also be obligated to pay *ad valorem* property taxes levied against such property, certain other taxes and assessments, and taxes and assessments to pay existing and any additional overlapping debt for which the property within the District may become obligated. See "ASSESSED VALUATION OF PROPERTY WITHIN THE DISTRICT – Overlapping Liens and Priority of Lien." The actual amount of these taxes, which may be levied or assessed in the future, will vary depending upon a number of factors, including the assessed value of the property within the District at such time, the actual amount of the Special Tax that is levied annually in the future and the existence of additional taxes and assessments levied in the future.

Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure

Bills for property taxes on the secured roll are mailed annually by the first of September. Such taxes are due in two installments, on November 1 and February 1 of each Fiscal Year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax-defaulted on or about June 30 of the fiscal year. Such property

may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. Pursuant to Section 3691 of the California Revenue and Taxation Code, tax defaulted property not so redeemed within five years after it has become tax-defaulted becomes subject to sale by the County Tax Collector.

The Act provides the additional remedy of judicial foreclosure for delinquencies in the payment of a special tax for so long as debt secured by the special tax is outstanding. Pursuant to the Act, the Board may order the institution of a superior court action to foreclose the lien securing a delinquent Special Tax within four years after the due date of the last installment of the principal thereof. A judgment in such an action will include the amount of the delinquency for each parcel to be foreclosed, reasonable attorneys' fees, interest, penalties, and other authorized charges and costs and will order the parcel to be sold on execution as in other cases of the sale of real property by process of the court. Such judicial foreclosure action is not mandatory. However, the Board has covenanted for the benefit of the owners of the Bonds that the County Auditor-Controller will review the County's records in connection with the collection of the Special Tax not later than October 1 of each year to determine the amount of the Special Tax collected in the prior fiscal year.

On the basis of such review, the County will, not later than the succeeding December 1, institute foreclosure proceedings as authorized by the Act against all parcels that are delinquent in the payment of such Special Tax in such Fiscal Year by \$5,000 or more in order to enforce the lien of all such delinquent installments of such Special Tax, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale, and on the further basis of such review, if the County determines that the total amount so collected is less than 95% of the total amount of the Special Tax levied in such Fiscal Year, the County will, not later than the succeeding December 1, institute foreclosure proceedings as authorized by the Act against all parcels that are delinquent in the payment of such Special Tax in such Fiscal Year to enforce the lien of all the delinquent installments of such Special Tax, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; provided, that any actions taken to enforce delinquent Special Tax liens shall be taken only consistent with Sections 53356.1 through 53356.7, both inclusive, of the Government Code of the State of California.

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

Pursuant to the Act, the property foreclosed upon may not be sold for less than the amount of the judgment in the foreclosure action (which may include reasonable attorneys' fees, interest, penalties, and other authorized charges and costs), plus post-judgment interest and authorized costs; provided, however, that the County may, based upon certain determinations set forth in the Act, waive delinquent penalties and redemption penalties.

The County has covenanted not to exercise rights under the Act to waive delinquency and redemption penalties related to, or to declare an amnesty program with respect to, such delinquency and redemption penalties related to the Special Taxes if to do so would materially and adversely affect the interests of the Bondholders. The County has further covenanted not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an independent certified public accountant that to accept such tender will not result in the

County having insufficient Special Tax revenues to pay the principal of and interest on the Bonds that will remain outstanding following such tender.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds (if the Reserve Fund has first been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the County of the proceeds of sale. However, within the limits of the Rate and Method, the Board may adjust the Special Tax levied on all property within the District, subject to the annual Maximum Special Tax, to provide an amount required to pay interest on and principal of and minimum sinking fund payments for the Bonds, the amount, if any, necessary to replenish the Reserve Fund to an amount equal to the Reserve Requirement, and the amount required to pay all current annual expenses. There is, however, no assurance that the annual Maximum Special Tax, or that collections of the Special Tax at such annual Maximum Special Tax rates, will be at all times sufficient to pay the amounts required to be paid by the Fiscal Agent Agreement. See “- Limitations on Increases in Special Tax Levy” and “SPECIAL RISK FACTORS - annual Maximum Special Tax Rates.”

For residential property of four or fewer units, a period of 120 days must elapse after the property is levied upon and before the notice of sale of such parcel can be given (for other property the 120-day period may be shortened to 20 days). Furthermore, if the purchaser at the sale is the judgment creditor, i.e., the County, an action may be commenced by the delinquent property owner within 90 days after the date of sale to set aside such sale. If, as a result of such an action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made. If the purchaser at the sale is other than the judgment creditor, the sale cannot be set aside.

No assurances can be given that the real property subject to foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the County to purchase or otherwise acquire any lot or parcel of property sold if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Act, the County, as judgment creditor, is entitled to purchase any property sold at foreclosure using a “credit bid,” where the County could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the County becomes the purchaser under a credit bid, the County must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

Special Tax Enforcement and Collection Procedures. The County could receive additional funds for the payment of debt service through foreclosure sales of delinquent property, but no assurance can be given as to the amount of foreclosure sale proceeds or when foreclosure sale proceeds would be received. The County has covenanted in the Fiscal Agent Agreement to take certain enforcement actions and commence and pursue foreclosure proceedings against delinquent parcels under the terms and conditions described in this Official Statement. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure.”

Foreclosure actions would include, among other steps, formal Board of Supervisors action to authorize commencement of foreclosure proceedings, mailing multiple demand letters to the

record owners of the delinquent parcels advising them of the consequences of failing to pay the applicable Special Taxes and contacting secured lenders to obtain payment. If these efforts were unsuccessful, they would be followed (as needed) by the filing of an action to foreclose in superior court against each parcel that remained delinquent.

Limitations on Increases in Special Tax Levy. If owners are delinquent in the payment of Special Taxes, the County may not increase Special Tax levies to make up for delinquencies for prior Fiscal Years above the Maximum Special Tax rates specified for each category of property within the District. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Tax Methodology.” In addition, due to Section 53321(d) of the Act, the Rate and Method provides that the Special Tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the Bonds. See “SPECIAL RISK FACTORS.”

Reserve Fund

In order to further secure the payment of principal of and interest on the Bonds, the Reserve Fund is being established, to be held by the Fiscal Agent pursuant to the Fiscal Agent Agreement. The initial amount on deposit in the Reserve Fund will be equal to the “**Reserve Requirement**” for the 2025 Bonds, which as of any date of calculation is an amount equal to the least of (i) Maximum Annual Debt Service (as defined in the Fiscal Agent Agreement) on the Bonds, (ii) 125% of average Annual Debt Service (as defined in the Fiscal Agent Agreement) as of the date of issuance of the Bonds, or (iii) 10% of the initial offering price to the public of the Bonds. Separate reserve accounts for each series of Bonds are established within the Reserve Fund for accounting purposes.

If, at any time, the Reserve Fund is funded in whole or in part with cash, the County has the right to cause the Fiscal Agent to release funds from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent as a replacement: (1) a Qualified Reserve Account Credit Instrument, as defined in the Fiscal Agent Agreement, and (2) an opinion of Bond Counsel stating that such release will not, of itself, cause the portion of the proceeds of the Bonds designated as and comprising interest to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent, the Fiscal Agent will transfer such funds from the Reserve Fund to the County to be used for any authorized District purpose.

The County is required to maintain an amount of money, derived from available Special Tax collections, or other security equal to the Reserve Requirement at all times that the Bonds are outstanding. All amounts deposited in the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the amount then required for payment of the principal of, and interest and any premium on, the Bonds or, in accordance with the provisions of the Fiscal Agent Agreement, for the purpose of redeeming Bonds from the Bond Fund, or in the event of a prepayment of the Special Tax, as a credit in accordance with the Rate and Method. Whenever transfer is made from the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent will provide written notice thereof to the County.

Whenever, on any Interest Payment Date, the amount in the Reserve Fund exceeds the Reserve Requirement, the Fiscal Agent is authorized to transfer an amount equal to the excess from the Bond Fund, except that investment earnings on amounts in the Reserve Fund may be

withdrawn from the Reserve Fund for purposes of making payment to the Federal government to comply with rebate requirements.

Moneys in the Reserve Fund will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits resulting from the investment of moneys in the Reserve Fund will remain therein until the balance exceeds the Reserve Requirement.

Special Tax Fund

Pursuant to the Fiscal Agent Agreement, the County establishes a separate fund to be held by the Auditor-Controller, to the credit of which the Auditor-Controller is required to deposit all Special Tax Revenue received by the County. Moneys in the Special Tax Fund will be held by the Auditor-Controller for the benefit of the County and the Owners of the Bonds, will be disbursed as provided in the Fiscal Agent Agreement, as provided below, and, pending any disbursement, are subject to a first lien in favor of the Owners of the Bonds.

Disbursements. As soon as practicable after the receipt by the County of any Special Tax Revenues or the transfer of other amounts under the Fiscal Agent Agreement, the Auditor-Controller shall withdraw from the Special Tax Fund and transfer in the following order of priority:

- (i) to the Fiscal Agent for deposit in the Bond Fund, (a) an amount necessary to pay any principal or interest on the Bonds not paid when due, together with additional interest at the interest rate of the Bonds to the expected date of payment from the date such payment was due, plus (b) an amount, taking into account any amounts then on deposit in the Bond Fund for payment of the Bonds, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next two Interest Payment Dates with respect to Special Tax Revenues received during the period from September 1 through the last day of August in any calendar year in which the fiscal year commences, and on the next Interest Payment Date with respect to Special Tax Revenues received during the period from March 1 through the last day of August in any calendar year in which the fiscal year commences;
- (ii) to the Fiscal Agent an amount, taking into account amounts then on deposit in the Reserve Fund, so that the amount in the Reserve Fund equals the Reserve Requirement;
- (iii) provided any amounts needed for payment of the Bonds is sufficiently provided for, to the Administrative Expense Fund; and
- (iv) after the foregoing disbursements, on September 1 of each year, any moneys remaining in the Special Tax Fund shall be transferred to the Acquisition and Construction Fund and free of the pledge for payment of the Bonds.

Bond Fund

Moneys in the Bond Fund established pursuant to the Fiscal Agent Agreement will be held by the Fiscal Agent for the benefit of the Owners of the Bonds. At least 10 Business Days before each Interest Payment Date, the Fiscal Agent will notify the Auditor-Controller in writing as to the principal and premium, if any, and interest due on the Bonds on the next Interest Payment Date. At least 5 Business Days prior to each Interest Payment Date, the Fiscal Agent will determine if the amounts then on deposit in the Bond Fund are sufficient to pay the debt service due on the Bonds on the next Interest Payment Date.

On each Interest Payment Date, the Fiscal Agent will withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, due and payable on such Interest Payment Date on the Bonds. In the event that amounts in the Bond Fund are insufficient for such purpose with respect to any Interest Payment Date, the Fiscal Agent shall withdraw from the Reserve Fund to the extent of any funds or Permitted Investments therein, amounts to cover the amount of such Bond Fund insufficiency.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make such payments, the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, if any.

The County covenants in the Fiscal Agent Agreement to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Rate and Method and the Act) in accordance with the procedures set forth in the Rate and Method for the purpose of curing any Bond Fund deficiencies.

Acquisition and Construction Fund

Pursuant to the Fiscal Agent Agreement, the County established a separate fund held by the Auditor-Controller, known as the "County of El Dorado Community Facilities District No. 2024-1 (Carson Creek Heritage Village 11) Acquisition and Construction Fund," which fund is held and maintained in trust by the County, and all money remaining in the Special Tax Fund on September 1 of each year, after transferring all of the sums required to be transferred therefrom on or prior to such date by the provisions of the Fiscal Agent Agreement, shall be deposited by the County in the Acquisition and Construction Fund. All money in the Acquisition and Construction Fund shall be used and withdrawn by the County for the payment of costs of the acquisition and construction of the Facilities or otherwise in any manner for the benefit of the CFD in accordance with and as permitted by the Act.

Additional Bonds

The Board of Supervisors may, at any time after the issuance and delivery of the 2025 Bonds, issue Additional Bonds secured by a lien and charge upon the Special Tax Revenues equal to, and on a parity with, the lien and charge securing the Outstanding Bonds and any Additional Bonds issued, authenticated and delivered prior thereto pursuant to the Fiscal Agent Agreement, but only upon satisfaction of the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds (among other things):

(a) The issuance of such Additional Bonds shall have been duly authorized under all applicable laws, and the Supplemental Fiscal Agent Agreement providing for issuance of such Additional Bonds shall specify the following:

(i) The authorized principal amount of such Additional Bonds;

(ii) The date and maturity date or dates of such Additional Bonds; provided that (A) the principal of the Additional Bonds shall mature on and otherwise be payable on the same principal payment date annually as the Bonds, (B) all Additional Bonds of like maturity and series shall be identical in all respects, except as to number, and (C) fixed serial maturities or mandatory sinking account installments, or any combination thereof,

shall be established to provide for the retirement of all such Additional Bonds on or before their respective maturity dates;

(iii) The semiannual interest payment dates for the Additional Bonds shall be the same as for the Bonds; provided that the Additional Bonds may provide for compounding of interest in lieu of current payment of interest on such dates;

(iv) The denomination and method of numbering of the Additional Bonds;

(v) The redemption premiums, if any, and the additional terms, if any, for redemption of the Additional Bonds in advance of maturity

(vi) The amount and due date of each mandatory sinking account installment, if any, for any of the Additional Bonds which are structured as term bonds;

(vii) The amount, if any, to be deposited from the proceeds of the Additional Bonds into the Bond Fund on account of interest on the Additional Bonds;

(viii) The amount, if any, to be deposited from the proceeds of the Additional Bonds into the Reserve Fund; provided that the amount on deposit in the Reserve Fund shall be increased at or prior to the time the Additional Bonds become Outstanding to an amount at least equal to the Reserve Requirement on all then Outstanding Bonds (exclusive of the Additional Bonds) and such Additional Bonds; and

(ix) The form of the Additional Bonds.

(b) The Fiscal Agent shall have received a certificate of the County's special tax consultant to the effect that the following additional conditions are satisfied:

(i) The proceeds that would have been available to the County if the Special Tax had been levied and collected at the annual Maximum Annual Special Tax rates on all Taxable Parcels in the District based upon the Rate and Method of Apportionment (excluding Undeveloped Property are equal to at least 110% of Debt Service on all Outstanding Bonds in each Bond Year after the issuance of the Additional Bonds; and with respect to the period of time preceding the receipt of proceeds of the Special Tax calculated in accordance with the Rate and Method of Apportionment, the proceeds of the Special Tax anticipated to be available to the County during such period plus other revenue, if any, including but not limited to capitalized interest, legally available for payment of Debt Service on the Outstanding Bonds, identified in the Supplemental Fiscal Agent Agreement authorizing the issuance of the Additional Bonds, and as shown by a Certificate of the County on file with the Fiscal Agent, shall be equal to at least 100% of the Debt Service payable on all Outstanding Bonds during such period;

(ii) The fair market value of the Taxable Parcels (including the then-existing private improvements thereon), as determined by assessed valuation as shown on the most recent equalized assessment roll of the El Dorado County Assessor or by an MAI appraisal is an amount equal to at least three times the sum of (1) the aggregate principal amount of all Outstanding Bonds following issuance of the Additional Bonds plus (2) the aggregate principal amount of all special assessment bonds then outstanding and payable from special assessments levied on the Taxable Parcels plus (3) the proportion of the aggregate principal amount of any other special tax bonds issued under the Act and then

outstanding which are payable from special taxes to be levied on the Taxable Parcels;
and

(iii) The fair market value of the Undeveloped Property, as determined by assessed valuation as shown on the most recent equalized assessment roll of the El Dorado County Assessor or by an MAI appraisal is an amount equal to at least three times the sum of (1) the proportion of the aggregate principal amount of all Outstanding Bonds following issuance of the Additional Bonds payable from Special Taxes to be levied on the Undeveloped Property plus (2) the aggregate principal amount of all special assessment bonds then outstanding and payable from special assessments levied on the Undeveloped Property plus (3) the proportion of the aggregate principal amount of any other special tax bonds issued under the Act and then outstanding which are payable from special taxes to be levied on the Undeveloped Property.

(c) The foregoing provisions of paragraph (b) shall not apply to the issuance of any series of Additional Bonds under the following circumstances: (i) Following the issuance and delivery of the Additional Bonds, none of the Bonds previously issued, exclusive of the Additional Bonds, shall remain Outstanding; or (ii) Following the issuance and delivery of the Additional Bonds, there will be no increase in Debt Service on the Outstanding Bonds, including the Additional Bonds, by reason of issuance of the Additional Bonds, in any Bond Year to and including the Bond Year of the scheduled retirement of the last maturing Outstanding Bonds.

Nothing in the foregoing shall apply to or be construed to limit the ability of the County to issue one or more series of special tax bonds of the District on a subordinated basis to the 2025 Bonds.

DEBT SERVICE SCHEDULE

The annual debt service on the 2025 Bonds, based on the interest rates and maturity schedule set forth on the cover of this Official Statement (assuming no early redemptions) is set forth below.

County of El Dorado
Community Facilities District No. 2024-1 (Carson Creek Heritage Village 11)
Special Tax Bonds Debt Service – 2025 Bonds

Year Ending (Sept. 1)	2025 Bonds Principal	2025 Bonds Interest	2025 Bonds Total
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
Totals			

Source: Underwriter.

THE FACILITIES

The 2025 Bonds will provide a funding source to pay for the acquisition and/or construction of a portion of the Facilities, including through the payment of impact fees.

The Facilities eligible to be financed by the District are set forth in Exhibit A of the Resolution of Formation, which include, but are not limited to: on-site and off-site roadway and transportation facilities, intersection and signal improvements, on-site and off-site sanitary sewer conveyance and collection facilities, storm drainage system improvements on-site and off-site water conveyance and storage facilities, landscaping improvements, park and trail improvements, and certain development impact fees including the El Dorado Hills Road Impact Fees (RIF) and El Dorado Irrigation District Facility Capacity Charge (Connection Fees).

Pursuant to a joint community facilities agreement entered into with El Dorado Irrigation District, the County anticipates utilizing funds generated by the District for payment of improvements to and fees for authorized water related facilities to be owned by such entity.

The Rate and Method provides that the funding of Facilities costs can also be made from collections of the Special Tax available as the “pay-as-you-go” component of Special Taxes, provided that the inclusion of such amount does not increase the Special Tax levy on Undeveloped Property.

THE DISTRICT

Formation of the District

On February 27, 2024, the Board of Supervisors adopted the Resolution of Formation, which formed the District (and Improvement Area No. 1 as an initial improvement area therein) and followed a Resolution of Intention adopted January 9, 2024. The District was also established with a Future Annexation Area from which property could annex to the District via unanimous consent of the landowner(s). The District was authorized to incur bonded indebtedness in an aggregate principal amount not to exceed \$35,000,000, initially allocated \$20,000,000 to the District and \$15,000,000 to the Future Annexation Area (which now has been annexed to the CFD).

Under the provisions of the Act, since there were fewer than 12 registered voters residing within the District during the 90-day period preceding the adoption of the Resolution of Formation, the qualified electors entitled to vote in the special election consisted solely of the Land Bank, the only eligible landowner/voter in the District. The Land Bank voted to incur the indebtedness and to approve the annual levy of Special Taxes to be collected within the District, for the purpose of paying for the Facilities, including repaying any indebtedness of the District, replenishing debt service reserve funds and paying the administrative expenses of the District.

In July 2024, the landowners and the County determined not to use an improvement area structure for the District and land within the Future Annexation Area was annexed into the District by unanimous consent of the landowners. As a result, the Improvement Area No. 1 designation will not be used as a separate area is not and will not be used as a separate area for securing bonds or for any other purpose, and the bonded indebtedness limit for the entire District is \$35,000,000.

Carson Creek Specific Plan

The District comprises a portion of the 710-acre Carson Creek Specific Plan (“**CCSP**”) area. The CCSP area lies at the southwest corner of the El Dorado Hills community located west of Latrobe Road and south of White Rock Road. To the northeast is the major commercial center known as Town Center which is designed to reflect a traditional downtown with a main street, local and national retailers, restaurants and a wide variety of other offerings, all of which can be viewed online at <https://edhtowncenter.com>. The first phase of the CCSP, known as Euer Ranch and not part of the District, was developed by K. Hovnanian and is fully built out as an active adult community with 460 age restricted single family homes and a clubhouse.

The second phase of the CCSP encompassed an age-restricted community developed by Lennar Homes immediately adjacent to, but not included in, the District. This project, known as “Carson Creek” is Lennar Homes’ 1,055 single family home development, including a variety of community amenities, and is sold-out. That development is subject to special taxes of a community facilities district and three series of bonds have been issued.

Lennar Homes is developing the District as a third phase of the CCSP and a continuation of the Carson Creek development. Land in the District is referred to as “Heritage Village 11,” with marketing of the same home product lines and similar amenities as in Carson Creek.

Location of the District

The District comprises approximately 86 acres developing into 409 detached, age-restricted single-family homes.

The District is located in the unincorporated community of El Dorado Hills, within a portion of the CCSP area, south of the intersection of Investment Boulevard and Pismo Drive and bordered by the Sacramento-El Dorado County Line to the west, the southern portion of the Euer Ranch project to the northwest, the El Dorado Hills Business Park to the northeast and east, and agricultural lands to the south. The District is approximately 23 miles east of the central business district of Sacramento and about 122 miles northeast of San Francisco. The nearest city is Folsom to the west. The area is south of and served by US Highway 50, a major east–west route of the U.S. Highway system, stretching just over 3,000 miles from West Sacramento, California to Ocean City, Maryland. Lake Tahoe is located 79 miles northeast of the District along Highway 50. North/south traffic in the immediate area is carried by Latrobe Road which becomes El Dorado Hills Boulevard north of Highway 50. The District’s location near Highway 50 and at the foot of the Sierra foothills places it within a major economic and transportation activity corridor of the Sacramento region.

A District boundary map is shown on the following page. *Note that the depicted Future Annexation Area was annexed to the District in July 2024 and the Improvement Area No. 1 designation will not be used as a separate area for securing bonds or for other purposes.*

[Reserved for boundary map]

Development in the District

Lennar Homes has provided the following information with respect to development within the District. No assurance can be given that all information is complete. No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. Although Lennar Homes currently expects to develop all the homes in the District, the ownership and development of the remaining undeveloped parcels is subject to change, the development plans outlined below may not be continued by a subsequent owner if the parcels are sold, although development by any subsequent owner will be subject to the CCSP, the Development Agreement described herein and the policies and requirements of the County. No assurance can be given that the plans or projections detailed below will actually occur.

Overview. Lennar Homes is developing the District as an age-restricted, active adult community with 409 of the planned homes intended for sale to homebuyers aged 55 years old or older. Lennar Homes is developing the project, marketed as “Heritage Carson Creek”, as continuation of Lennar Homes’ nearby “Carson Creek” development that is sold-out. Home construction and sales are underway, with 3 distinct product lines offered in four villages, as described below. Project amenities will include a clubhouse expected to open in fall of 2025, pool, tennis, bocce and pickleball courts and multi-use public trails, as well as front yard landscape maintenance. The amenities are not subject to the Special Tax. The amenities and streets within the gated area are to be owned and maintained by a homeowners’ association. Homeowners’ association assessments are anticipated to be approximately \$328 per month upon buildout. Lennar Homes is acquiring lots over time from an unaffiliated landbank per a take-down schedule, as described herein.

Development Agreement. The property within the District is subject to a Community Benefit and Development Agreement between Carson Creek El Dorado, LLC, Lennar Homes and the County, adopted by the Board of Supervisors of the County on August 10, 2021 (the “**Development Agreement**”). The Development Agreement, which has a 20-year term, expires September, 2041. The Development Agreement runs with the land, meaning any successors in interest or subsequent owners of the property are subject to the provisions thereof, in accordance with Government Code Sections 65865.4 and 65868.5.

The Development Agreement requires that Lennar Homes (1) pay certain fees, on a per-dwelling-unit basis, toward community benefits, pedestrian overcrossing and multimodal transportation, affordable housing, and other projects, (2) dedication of land and/or payment of in lieu fees toward parkland obligations, and (3) constructing certain public infrastructure required for the development.

Mapping and Entitlements. Property in the District is zoned and entitled for the contemplated residential development. Lennar Homes obtained Final maps for Villages 11A, 11B and 11C. The Final Maps for Village 11D are anticipated by the end of 2025.

Backbone and In-Tract Infrastructure. Lennar Homes is underway on all backbone infrastructure for development of the District. In-tract improvements have been completed, property has been developed to finished lot condition and final maps have been recorded for three of the four planned villages – Villages 11A, 11B, and 11C. [Completion of in-tract improvements for the final village – Village 11D is underway and expected to be completed by [the end of 2025] As of May 23, 2025, Lennar Homes it had expended approximately \$85.1 million of the total estimated \$93.4 million land development costs (not including the land purchase cost or cost of purchasing lots from the land bank). The remaining \$8.3 million of land development costs includes the cost for finishing the clubhouse, building retaining walls, entry monuments, fencing

signal work and finishing streets. See “OWNERSHIP OF PROPERTY IN THE DISTRICT – Lennar Homes Financing Plan” for additional details.

Water Availability. The El Dorado Irrigation District (“EID”), a special irrigation district created under California Water Code 20500 et seq., is the water and wastewater purveyor for the portion of the County of which the District is a part. EID is a separate entity from the County, governed by an independent elected board, which has adopted various policies concerning the provision of water service within the District. EID provides water service to developments in accordance with Regulation No. 2 “Water Supply Reliability” of its Rules and Regulations Governing the Distribution and Use of Water/Wastewater and Recycled Water. Section 2.4 of Regulation No. 2 states that EID will “endeavor to provide water supplies having a System Firm Yield (i.e., 95% of the time water will be delivered) greater than or equal to the normal, unrestricted, water demands of EID’s system.” In the remaining 5% of the time, shortages not to exceed 20% of demand annually will be allowed. These shortages would be met by varying levels of conservation (increasing from voluntary to mandatory) as outlined in the Attachment to Regulation No. 2, “EID’s 4-Stage Water Supply Matrix and Water Shortage Response Measures.”

Lennar Homes indicates that water service is guaranteed for Villages 11A, 11B and 11C and it does not anticipate any water availability issues for building out the project. Notwithstanding the foregoing, California is subject to drought from time-to-time, which could have a material adverse impact on the remaining development in the District. See “SPECIAL RISK FACTORS – California Drought Conditions.”

Seismic Zone. All properties in California are subject to some degree of seismic risk. The Alquist-Priolo Earthquake Fault Zoning Act was enacted by the State of California in 1972 to regulate development near active earthquake faults. The Act required the State Geologist to delineate “Earthquake Fault Zones” (formerly known as “Special Studies Zones”) along known active faults in California. Cities and counties affected by the identified zones must limit certain development projects within the zones unless geologic investigations demonstrate that the sites are not threatened by surface displacement from future faulting. According to information from the California Department of Conservation and the California Geological Survey, the subject is not located within an Alquist-Priolo Special Studies Zone.

Flood Zone. The properties in the District are located in Flood Zone X, described as areas outside the 100-year and 500-year flood plains. This information is according to the Federal Emergency Management Agency Flood Map, Community Panel No. 06067C0275J, dated July 19, 2018.

Wildfire Hazard Severity Zone. The Fire and Resource Assessment Program of CAL FIRE classifies areas by Fire Hazard Severity Zone. Properties in the District are classified as within an area of moderate concern. See “SPECIAL RISK FACTORS – Fire Insurance.”

Utilities and Services. Public utilities, including electricity, natural gas, water and telephone service, are available to property in the District. The following are service providers for the District:

Fire: El Dorado Hills County Water District (El Dorado Hills Fire District)
Police: El Dorado County Sheriff's Department
Elementary: Rescue Union School District/Buckeye Union School District
Intermediate: Rescue Union School District/Buckeye Union School District
High School: El Dorado Union High School District
Recreation and Parks: El Dorado Hills Community Services District
Water and Sewer: El Dorado Irrigation District
Electricity and Gas: Pacific Gas & Electric
Telephone/Internet: AT&T/Comcast

OWNERSHIP OF PROPERTY WITHIN THE DISTRICT

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the property within the District. There is no assurance that the present property owners or any subsequent owners will have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay the Special Taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the County nor any Bond Owner will have the ability at any time to seek payment directly from the owners of property within the District of the Special Tax or the principal or interest on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

Lennar Homes has provided the information set forth in this section entitled “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT.” No assurance can be given that all information is complete. In addition, any Internet addresses included below are for reference only, and the information on those Internet sites is not a part of this Official Statement or incorporated by reference into this Official Statement.

No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner, as described herein. The Special Taxes are not personal obligations of the developers or of any subsequent landowners; the Bonds are secured only by the Special Taxes and moneys available under the Fiscal Agent Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “SPECIAL RISK FACTORS” herein.

Overview

As of May 23, 2025, of the 409 total planned homes in the District, building permits had been issued for 228 homes of which 130 had been completed, 75 home sales closed escrow to individual homeowners, and 21 homes were under contract for sale but not yet closed. As of that date Lennar Homes owned 94 lots in various states of development, including 55 completed homes not yet closed to homeowners and the Land Bank (described below) owns the remaining 240 lots. As of July 14, 2025, Lennar Homes reports that 69 homes have been completed and were not yet sold.

Lennar Homes and Participating Land Bank

Lennar Homes is based in Irvine, California. Lennar Homes has been in the business of developing residential real estate communities in California since 1996. On February 1, 2022, Lennar Homes of California, Inc., a California corporation, was converted to a California limited liability company and is now known as Lennar Homes of California, LLC, a California limited liability company. All references herein to Lennar Homes prior to February 1, 2022 shall mean Lennar Homes of California, Inc. a California corporation, and all references herein to Lennar Homes on and after February 1, 2022 shall mean Lennar Homes of California, LLC, a California limited liability company.

The Land Bank Structure. L-H Housing, LLC, a Delaware limited liability company (a subsidiary of Lennar Corporation) and R-Hearthstone Lot Option Pool 05, L.P., a Delaware limited partnership (the “**Land Bank**”) are parties to a May 26, 2022, master Option and Development Agreement (“**Master Agreement**”). Pursuant to the Master Agreement, Lennar Corporation and the Land Bank entered into a landbanking relationship for a pool of projects nationally whereby, pursuant to subsequent project specific addenda, the Land Bank acquires title to applicable projects and agrees to fund the land acquisition and certain entitlement and construction costs

associated with the completion of finished residential pad sites ready for the vertical construction of homes, and Lennar Corporation affiliates obtain an option to thereafter acquire the finished homesites from the Land Bank pursuant to a fixed acquisition schedule. The Master Agreement includes an express affiliate assignment right.

On January 23, 2023, the land bank purchased all 409 lots in the District (the “**Land Bank Lots**”) from Lennar Homes of California, LLC, a California limited liability company (“**Lennar**”) and Carson Creek El Dorado, LLC, a California limited liability company. On the same day, L-H Housing, LLC, Lennar Homes of California, LLC, a California limited liability company (another subsidiary of Lennar Corporation, and a corporate affiliate of L-H Housing, LLC), and the Land Bank concurrently entered into a project specific Addendum for Carson Creek (the “**Addendum**” and collectively with the Master Agreement, the “**Option Agreement**”) whereby Lennar has the option, but not the obligation, to purchase the Land Bank Lots pursuant to a take-down schedule. There is no guarantee that Lennar will acquire the 409 lots from the Land Bank as planned. Lennar and the Land Bank memorialized the Addendum by recording that certain Memorandum of Option and Development Agreement in the Official Records of El Dorado County on January 23, 2023, as Document No. 2023-0001614.

Lennar’s planned development of the Land Bank Lots includes the construction of 409 single-family residential homes and the sale of such homes to individual homebuyers. Pursuant to the terms and conditions of the Option Agreement, Lennar is required to, among other things, construct all on-site and off-site improvements and obtain the requisite permits and approvals necessary to create finished lots on the Land Bank Lots. The Option Agreement contains various dates for completion of work in phases. The Option Agreement provides for the grant of a license to permit Lennar to enter upon the Land Bank Lots for the purposes of, among other things, constructing model homes, dwelling units, and related subdivision improvements on the Land Bank Lots before Lennar acquires the Land Bank Lots from the Land Bank.

Under the terms of the Option Agreement, the Land Bank agreed to provide Lennar the right and option to purchase the Land Bank Lots in consideration for, among other things (a) an initial deposit payment, which payment has been made to the Land Bank; (b) the obligation of Lennar to timely pay option payments to the Land Bank; and (c) upon the exercise of the option, the payment of the purchase price for each set of Land Bank Lots acquired. During the term of the Option Agreement, Lennar is obligated to pay all taxes and other carrying costs on the Land Bank Lots, including special taxes.

The Land Bank Lots must be purchased in certain groups and in a specified order pursuant to the following schedule, although the Option Agreement contains provisions allowing for up to four (4) one-month extensions on the acquisition of Land Bank Lots subject to the continued payment of option payments and administrative fees and on other conditions. Furthermore, Lennar may acquire the Land Bank Lots at earlier times upon the payment of an accelerated exercise fee so long as the identified Land Bank Lots are acquired by the applicable takedown date. Based on prior development delays, the Land Bank and Lennar mutually agreed to amend their original takedown schedule to defer the timing of originally-scheduled takedowns. Since then, Lennar has taken down lots per the revised schedule.

The option under the Option Agreement expires on the earlier of (i) the last date permitted for the final takedown specified on the takedown schedule and the expiration of any applicable cure period, or (ii) the date Lennar has acquired all the Land Bank Lots in accordance with the Option Agreement. The failure to timely acquire the Land Bank Lots or any lots covered by the

Master Option could result in termination of the option such that Lennar would no longer have the right to purchase any of the remaining Land Bank Lots under the Option Agreement.

In the event Lennar does not exercise its option on the Land Bank Lots or the right to purchase the Land Bank Lots expires or is terminated, the Land Bank, being an investor only and not a homebuilder, would likely attempt to sell any remaining Land Bank Lots to another merchant builder.

To date, lots have been taken down according to the schedule and Lennar Homes is in good standing under the Option Agreement.

**Lennar Homes – Heritage Carson Creek
Take Down Schedule under the Option Agreement**

Takedowns	Scheduled No. Of Units
Prior to	
7/20/25	209
8/20/2025	0
9/20/2025	38
10/20/2025	0
11/20/2025	0
12/20/2025	38
1/20/2026	0
2/20/2026	0
3/20/2026	39
4/20/2026	0
5/20/2026	0
6/20/2026	30
7/20/2026	0
8/20/2026	0
9/20/2026	24
10/20/2026	0
11/20/2026	0
12/20/2026	31
Totals	409

Source: Lennar Homes.

Lennar Homes can begin home construction on lots still owned by the Land Bank. No assurance can be given that the acquisition of the remaining residential lots Lennar Homes plans to acquire under the Option Agreement will occur as expected.

The Land Bank. The Land Bank is ultimately controlled by Hearthstone, Inc., a California corporation (“**Hearthstone**”). Hearthstone is devoted exclusively to investing in residential housing developments on behalf of institutional capital. Hearthstone’s investments include single-family subdivisions, condominium and townhouse developments, master planned communities, land development projects, and mixed-use communities. Hearthstone was the first, and is today among the largest, institutional investment managers in the country that is dedicated to the residential building industry. Hearthstone was organized in 1992 in response to changes in federal laws affecting the banking industry that greatly diminished the availability of investment capital for the homebuilding industry and in recognition of the long-term investment opportunity that residential homebuilding presents for institutional investors. Hearthstone manages funds for numerous public and private pension plans, university endowments, Fortune 100 companies, Wall Street investment banks, and family offices. Hearthstone invests these funds on behalf of its investors in homebuilding and residential lot development projects with public and private

homebuilders in select target markets throughout the United States. Hearthstone has funded and managed over \$16.5 billion in investments to construct over 140,000 homes and lots in 22 states since its inception. Hearthstone's principal office is located in Calabasas, California.

Lennar Homes. Lennar Homes is wholly-owned by U.S. Home, LLC, a Delaware limited liability company ("**U.S. Home**"). U.S. Home is wholly-owned by Lennar Corporation, which is based in Miami, Florida ("**Lennar Corporation**"). Founded in 1954, Lennar Corporation completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. Lennar Corporation's Class A and Class B common stock are listed on the New York Stock Exchange under the symbols "LEN" and "LEN.B." respectively. Lennar Corporation is one of the largest homebuilders in the United States based on home sales revenues and net earnings, and operates under a number of brand names, including Lennar Homes and U.S. Home. Lennar Corporation primarily develops residential communities both within the Lennar Corporation family of builders and through consolidated and unconsolidated partnerships in which Lennar Corporation maintains an interest.

Lennar Corporation is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Lennar Corporation and its consolidated subsidiaries, including Lennar Homes, as of such dates.

The SEC maintains a website that contains reports, proxy and other information statements and other information regarding registrants that file electronically with the SEC, including Lennar Corporation. The address of such website is www.sec.gov. All documents filed by Lennar Corporation pursuant to the requirements of the Exchange Act after the date of this Periodic Report will be available for inspection in such manner as the SEC prescribes.

Copies of Lennar Corporation's Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Lennar Corporation's website at www.lennar.com. *The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Lennar Corporation and Lennar Homes are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the County or the Underwriter.*

Lennar Homes Financing Plan

Lennar Homes acquired all of the taxable property in the District using available cash, and the property currently owned by Lennar Homes in the District is not currently encumbered by acquisition or construction financing loans or outside financing, except to the extent the Land Bank arrangement inherently provides financing assistance. Development of the residential lots and payment of the Special Taxes during development has been funded through available cash, which Lennar Homes may utilize through the end of the development process and final home sales.

The table on the following page shows Lennar Homes' financing plan for its development in the District.

**Lennar Homes – Heritage Carson Creek
Sources and Uses of Funds as of May 31, 2025**

	Total Budget	As of May 31,2025	% Complete	Remainder to be Completed
Sources of Funds				
Sales of Homes	\$271,538,000	\$49,386,105	18%	\$222,151,895
CFD - Estimated Proceeds	19,659,156	0	0	19,659,156
Credits/Reimbursements	2,281,374	412,564	18	1,868,810
Reimbursed Development by Land Bank	44,515,871	44,515,871	100	0
Sale of Land and Development to Land Bank	6,661,201	6,661,201	100	0
Total Sources of Funds	\$344,655,602	\$100,975,741	29%	\$243,679,861
Uses of Funds				
Land Purchase from Third-Party	\$6,661,201	\$6,661,201	100%	\$0
Land Development	93,425,910	85,161,729	91	8,264,181
Purchase of Lots from Land Bank	60,792,289	25,408,714	42	35,383,575
Direct Construction	86,757,000	25,836,972	30	60,920,029
Fees & Permits	14,334,500	6,209,256	43	8,125,244
Service & Warranty	2,715,000	428,039	16	3,332,000
Field Expenses	7,332,000	2,095,659	29	3,554,000
Selling & Marketing	7,603,000	2,156,606	28	12,218,000
General & Administrative	5,431,000	987,722	18	1,111,000
Property Taxes & Other	3,258,000	764,785	23	2,666,000
Total Uses of Funds	\$288,309,900	\$155,710,683	54%	\$135,574,029
SUBTOTAL BEFORE SELF FUND AMOUNT	\$56,345,702	-\$54,734,942		\$108,105,832
Lennar Corporate (Net Self Fund Project)		\$54,734,942		\$0
NET CASH FLOW	\$56,345,702	\$0		\$108,105,832

Source: Lennar Homes.

Current Status of Development and Ownership

The following table shows the product mix of the 409 homes planned to be constructed within the District.

**Lennar Homes – Heritage Carson Creek
Product Mix and Base Pricing as of June 20, 2025**

Product	Typical Lot Size	Planned Residential Units	Bedrooms/ Baths	Base Price Range ⁽¹⁾
Roxbury	4,725	142	2 & 3 /2	\$495,990 – \$527,990
Mosaic	4,725	144	2 & 3/2.5 & 3	\$533,122 – \$584,560
Legends	5,775	123	2 & 3 /2, 2.5 & 3	\$695,342 – 766,112
Total		409		

(1) As of June 20, 2025. Does not take into account any upgrades, lot premiums, concessions or discounts that may be offered. Certain incentives are currently being offered, to be varied and continue as market conditions warrant. As of July 14, 2025, 69 homes have been completed but not yet sold.

(2) Source: Lennar Homes.

Home sales in the District began in March 2024. The following table shows ownership, construction and sales activity as of May 23, 2025. Sell out is projected to occur by the end of 2027.

**Lennar Homes – Heritage Carson Creek
Ownership, Construction and Sales Activity as of May 23, 2025**

Village	<u>Lots</u>		<u>Sold/Closed</u>			Construction Complete / Pending Close or not Sold	<u>Land Bank</u>		
	Total	Total Starts/ Permits to Date	Sold	Comp./ Closed/ Conveyed	Sold but not Conveyed		Total Amt Put in Land Bank	Takedown to Date by Lennar	Net in Land Bank
Village 11A									
Roxbury Models	3	3	3	3	0	0	3	3	0
Mosaic Models	6	4	0	0	0	4	6	4	2
Legend Models	6	6	6	6	0	0	6	6	0
Roxbury Production	31	31	29	25	4	5	31	31	0
Mosaic Production	15	4	2	2	0	2	15	4	11
Legend Production	52	49	28	26	2	21	52	49	3
Total	113	97	68	62	6	32	113	97	16
Village 11B									
Roxbury Production	31	31	10	9	1	9	31	25	6
Mosaic Production	73	54	11	4	7	14	68	40	28
Legend Production	7	7	3	0	3	0	7	7	0
Total	111	92	24	13	11	23	106	72	34
Village 11C									
Roxbury Production	37	17	1	0	1	0	37	0	37
Mosaic Production	3	0	0	0	0	0	3	0	3
Legend Production	58	22	3	0	3	0	58	0	58
Total	98	39	4	0	4	0	98	0	98
Village 11D									
Roxbury Production	40	0	0	0	0	0	40	0	40
Mosaic Production	47	0	0	0	0	0	52	0	52
Total	87	0	0	0	0	0	92	0	92
Total All	409	228	96	75	21	55	409	169	240
Summary By Plan									
Roxbury	142	82	43	37	6	14	142	59	83
Mosaic	144	62	13	6	7	20	144	48	96
Legends	123	84	40	32	8	21	123	62	61
Total All	409	228	96	75	21	55	409	169	240
%		56%	23%	18%	5%	13%	100%	41%	59%

Source: Lennar Homes.

Lennar Homes' development expectations described above are based on Lennar Homes' current plans. These plans may change due to changes in economic and market conditions or other factors. No assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this Official Statement. Lennar Homes reserves the right to change its development plans at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation by the homebuyer. See "SPECIAL RISK FACTORS — Failure or Inability to Complete Proposed Development on a Timely Basis" and " - Land Values."

VALUATION OF PROPERTY WITHIN THE DISTRICT

The value of the land within the District is a critical factor in determining the investment quality of the 2025 Bonds. If a property owner defaults on the payment of the Special Tax, the County's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. A variety of economic, political, and natural occurrences incapable of being accurately predicted can affect land values. See "SPECIAL RISK FACTORS - Land Values."

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District, and the owners have made no commitment to pay the principal of or interest on the 2025 Bonds or to support payment of the 2025 Bonds in any manner. There is no assurance that the owners have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay such taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the County nor any Bondholder will have the ability at any time to seek payment from the owners of property within the District of any Special Tax or any principal or interest due on the 2025 Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

Appraised Values

General. The value of taxable property within the District is a critical factor in determining the investment quality of the 2025 Bonds. In order to obtain a more accurate estimate of the value of land in the District, the Authority ordered preparation of the Appraisal of the estimated value of the taxable land within the District as of a stated date of value. The Appraisal was prepared by the Appraiser with a date of value of May 23, 2025. The indicated value does not take into account the additional construction activity and sale of homes since the original May 23rd date of value. The description herein of the Appraisal is intended for limited purposes only; the Appraisal is attached hereto as APPENDIX B and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, conditions and qualifications which are set forth in the Appraisal.

The Special Tax is levied on each taxable parcel within the District and only the individual parcel is responsible for such Special Tax. In comparing the aggregate value of the real property within the District and the principal amount of the 2025 Bonds, it should be noted that only the Assessor's parcel of real property upon which there is a delinquent Special Tax can be foreclosed upon and Special Taxes can only be used to pay for debt service and expenses of the District. As to the District, all of the taxable real property within the District cannot be foreclosed upon as a whole to pay delinquent Special Taxes unless all of such property in the District is delinquent in the payment of Special Taxes. Individual parcels may be foreclosed upon to pay delinquent Special Taxes levied against such parcels only. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS."

The principal amount of the 2025 Bonds will not be allocated pro-rata among the parcels within the District; rather, the Special Taxes for the District will be billed annually for each parcel within the District. Upon sale of parcels, the buyer typically acquires the property subject to the unpaid portion of any special taxes and special taxes levied against the parcel purchased. Unpaid Special Taxes are not required to be removed from the property and are not required to be, but may be, paid off in full upon transfer of property or upon development of the property.

Value Estimate. The appraised valuation excludes the value of all portions of the property in the District designated for public and quasi-public purposes (non-taxable parcels) and assumes completion of infrastructure funded by the 2025 Bonds and accounts for the impact of the lien of the Special Tax of the District.

Total Value Estimate of All Property. The aggregate valuation of the property in the District as of the May 23, 2025 date of value, using the methodologies described in the Appraisal and subject to the limiting and hypothetical conditions and general and special assumptions set forth in the Appraisal, and as dated and described above and set forth in the Appraisal attached hereto is \$122,649,000. Additional details are set forth in the Appraisal itself. See APPENDIX B.

The Appraiser's valuation process employed the sales comparison approach and land residual analysis to estimate the market value of the subject units. In the sales comparison approach, adjustments are applied to the prices of comparable bulk lot transactions, and a market value for the benchmark lot category is concluded. Then, as a support of reasonableness, a land residual analysis is utilized, which is reconciled with the sales comparison approach conclusion. The final estimate of market value is estimated by employing a discounted cash flow analysis, whereby the expected revenue, absorption period, expenses and discount rate associated with the sell-off of the units were taken into account. The estimate of market value accounts for the impact of the lien of the Special Taxes securing the 2025 Bonds.

Hypothetical Condition. The market value estimated by the Appraiser is based on a hypothetical condition. A hypothetical condition is defined by USPAP as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis." It is a hypothetical condition of the Appraisal that the proceeds from the 2025 Bonds will be used to reimburse Lennar Homes for eligible expenses incurred to date.

Assumptions and Limiting Conditions. In considering the estimate of value evidenced by the Appraisal, the Appraisal is based upon a number of limiting conditions and standard and extraordinary assumptions which affect the estimates as to value, including, among others, the following:

- The valuation analysis is based on developer-provided site development cost projections for the subject property. If, at some future date, it is determined that cost estimates or input factors yielding the anticipated developer contribution for building permits and fees are different than actual, the values contained herein could be affected.
- The valuation analysis did not include review of a current title report of all properties to determine any possible conditions of title affecting the properties appraised. The Appraiser accepts no responsibility for matters pertaining to title.
- The Appraiser has also assumed that there is no hazardous material on or in the property that would cause a loss in value. Should future conditions and events involving hazardous material reduce the level of permitted development or delay the completion of any projected development, the value of the undeveloped land would likely be reduced from that estimated by the Appraiser. See "RISK FACTORS – Land Values" and "– Hazardous Substances" below.

See the Appraisal contained in APPENDIX B hereto for more details on all the assumptions made by the Appraiser. Because the Appraiser arrived at an estimate of current market value based upon certain conditions and assumptions which may or may not be fulfilled, no assurance can be given that should the parcels become delinquent due to unpaid Special Taxes, and be foreclosed upon and offered for sale for the amount of the delinquency, that any bid would be received for such property or, if a bid is received, that such bid would be sufficient to pay such delinquent Special Taxes.

Limitations of Appraisal Valuation. Property values may not be evenly distributed throughout the District; thus, certain parcels may have a greater value than others. This disparity is significant because in the event of nonpayment of the Special Tax, the only remedy is to foreclose against the delinquent parcel.

No assurance can be given that the foregoing valuations can or will be maintained during the period of time that the 2025 Bonds are outstanding in that the Authority has no control over the market value of the property within the District or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes. See “– Priority of Lien” below.

For a description of certain risks that might affect the assumptions made in the Appraisal, see “SPECIAL RISK FACTORS” herein.

Value-to-Lien Ratios

The value of the land within the District is a critical factor in determining the investment quality of the 2025 Bonds. If a property owner defaults in the payment of a Special Tax, the County’s only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Taxes. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure” and “SPECIAL RISK FACTORS – Bankruptcy and Foreclosure Delays.” Reductions in District property values due to a downturn in the economy, natural disasters such as earthquakes or floods, stricter land use regulations or other events could have an adverse impact on the security for payment of the Special Taxes.

The Special Tax is levied on each parcel within the District and only the respective individual parcel is responsible for its allocated Special Tax. In comparing the value of the real property within the District and the principal amount of the Bonds, it should be noted that only the real property upon which there is a delinquent Special Tax can be foreclosed upon, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within the District unless all of the property is subject to a delinquent Special Tax. In any event, individual parcels may be foreclosed upon separately to pay delinquent Special Taxes levied against such parcels.

Development Status and Value-to-Lien Ratios by Ownership. The following table summarizes development status and value-to-lien ratios of taxable property in the District by ownership. The value-to-lien ratios of individual parcels can and do vary widely.

Table 2
County of El Dorado
Community Facilities District No. 2024-1
(Carson Creek Heritage Village 11)
Value-to Lien Ratios by Development Status as of April 30, 2025

Development Status / Village	Planned No. Units	FY 2025/26 Maximum Special Tax⁽¹⁾	Estimated FY 2025/26 Special Tax Levy⁽¹⁾	% of 2025-26 Special Tax Levy	Total Bonded Indebtedness^{(2)*}	Appraised Value⁽³⁾	Value-to-Lien Ratio*
Developed Property							
Completed Homes (Individual Homeowner)	76	\$220,571	\$220,571	35.1%	\$3,026,368	\$42,910,000	14.18
Completed Homes (Lennar)	52	155,923	155,923	24.8%	2,138,924	28,555,000	13.35
Under Construction/Permit Issued (Lennar)	41	116,086	116,086	18.4%	1,592,743	10,133,000	6.36
Under Construction/Permit Issued (Landbank)	47	136,615	136,615	21.7%	1,874,645	11,751,000	6.27
<i>Subtotal Developed Property</i>	<i>216</i>	<i>\$629,195</i>	<i>\$629,195</i>	<i>100.0%</i>	<i>\$8,632,681</i>	<i>\$93,349,000</i>	<i>10.81</i>
Final Map Property⁽⁴⁾							
Balance of Village 11A	16	\$46,290	\$0	0.0%	\$1,347	\$3,530,000	n/a
Balance of Village 11B	23	62,521	0	0.0%	1,313	4,945,000	n/a
Balance of Village 11C	67	209,405	0	0.0%	4,547	15,605,000	n/a
<i>Subtotal Final Map Property</i>	<i>106</i>	<i>\$318,216</i>	<i>\$0</i>	<i>0.0%</i>	<i>\$7,207</i>	<i>\$24,080,000</i>	<i>n/a</i>
Undeveloped Property⁽⁴⁾							
Village 11 D	87	\$262,783	0	0.0%	\$4,626	\$9,744,000	n/a
<i>Subtotal Undeveloped Property</i>	<i>87</i>	<i>\$262,783</i>	<i>0</i>	<i>0.0%</i>	<i>\$4,626</i>	<i>\$9,744,000</i>	<i>n/a</i>
Total	409	\$1,210,193	\$629,195	100.0%	\$8,644,513	\$127,173,000	14.71

* Preliminary; subject to change.

(1) Based on building permits issued and maps recorded as of April 30, 2025.

(2) Includes allocated CFD 2024-1 bonded indebtedness based on the percentage of FY 2025/26 Special Tax Levy and overlapping debt, per California Municipal Statistics, as of November 1, 2024.

(3) As of the Date of Value of the Appraisal.

(4) All Final Map Property and Undeveloped Property was owned by the Landbank, as of April 30, 2025. These parcels are not anticipated to be levied the Special Tax for FY 2025/26 and have not been allocated bonded indebtedness for CFD 2024-1.

Source: NBS.

Value-to-Lien Ratios by Range. The following table summarizes the value-to-lien ratios of taxable property in the District, by value-to-lien ratio ranges. The value-to-lien ratios of individual parcels can and do vary widely.

Table 3
County of El Dorado
Community Facilities District No. 2024-1
(Carson Creek Heritage Village 11)
Value-to-Lien Ratios by Category

Value to Lien Range	Planned No. Units	FY 2025/26 Maximum Special Tax ⁽¹⁾	Estimated FY 2025/26 Special Tax Levy ⁽¹⁾	% of FY 2025/26 Special Tax Levy	Total Bonded Indebtedness ^{(2)*}	Appraised Value ⁽³⁾	Value-to-Lien Ratio*
10:1 to 19.99:1	128	\$376,494	\$376,494	59.8%	\$5,165,293	\$71,465,000	13.84
5:1 to 9.99:1	85	241,749	241,749	38.4%	3,317,145	21,149,000	6.38
3:1 to 4.99:1	3	10,952	10,952	1.7%	150,243	735,000	4.89
Less than 3:1	0	0	0	0.0%	0	0	n/a
Final Map Property & Undeveloped Property ⁽⁴⁾	193	580,998	0	0.0%	11,833	33,824,000	n/a
Totals	409	\$1,210,193	\$629,195	100.0%	\$8,644,513	\$127,173,000	14.71

* Preliminary; subject to change.

(1) Based on building permits issued and maps recorded as of April 30, 2025

(2) Includes allocated CFD 2024-1 bonded indebtedness based on the percentage of FY 2025/26 Special Tax Levy and overlapping debt, per California Municipal Statistics, as of November 1, 2024.

(3) As of the Date of Value of the Appraisal.

(4) Represents parcels that are not anticipated to be levied the Special Tax for FY 2025/26 and have not been allocated bonded indebtedness for CFD 2024-1.

Source: NBS.

Overlapping Liens and Priority of Lien

The principal of and interest on the Bonds are payable from the Special Tax authorized to be collected within the District, and payment of the Special Tax is secured by a lien on certain real property within the District. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Act, regardless of when they are imposed on the property in the District. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure. The County and certain other public agencies are authorized by the Act to form other community facilities districts and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District.

Other public agencies whose boundaries overlap those of the District could, without the consent of the County and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the land within the District. The lien created on the land within the District through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Tax. In addition, construction loans may be obtained by developers or home loans may be obtained by ultimate homeowners. The deeds of trust securing such debt on property within the District, however, will be subordinate to the lien of the Special Tax. Set forth below is an overlapping debt table showing the existing direct and overlapping bonded debt payable with respect to property within the District. This table has been prepared by California Municipal Statistics Inc. as of the date indicated, and is included for general information purposes only. The County has not reviewed the data for completeness or accuracy and makes no representations in connection therewith.

Table 4
County of El Dorado Community Facilities District No. 2024-1
(Carson Creek Heritage Village 11)
Summary of Overlapping Debt
As of November 1, 2024

2024-25 Assessed Valuation: \$8,104,309 (Land and Improvements)

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 11/1/24</u>
Los Rios Community College District General Obligation Bonds	0.003%	\$10,081
El Dorado Union High School District General Obligation Bonds	0.026	14,432
El Dorado County CFD (Carson Creek Heritage Village 11)	100.000	- ⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$24,513

Ratios to 2024-25 Assessed Valuation:

Direct Debt (\$0)	0.00%
Total Direct and Overlapping Tax and Assessment Debt..	0.30%
Combined Total Debt	0.47%

(1) Excludes 2025 Bonds to be sold.

Source: California Municipal Statistics Inc.

There can be no assurance that Lennar Homes, its affiliates or any subsequent owner will not petition for the formation of other community facilities districts or for a special assessment district or districts and that parity special taxes or special assessments will not be levied by the County or some other public agency to finance additional public facilities, however no other special districts are currently contemplated by the County or Lennar Homes. Private liens, such as deeds of trust securing loans obtained by Lennar Homes or individual property owners, may be placed upon property in the District at any time. Under California law, the Special Taxes have priority over all existing and future private liens imposed on property subject to the lien of the Special Taxes.

Estimated Sample Property Tax Bill

Overview. The following table shows the estimated sample property tax bill for Fiscal Year 2024-25, for each of the three product lines being developed by Lennar Homes, based on an average base sales price across each floor plan.

Table 5
County of El Dorado
Community Facilities District No. 2024-1
(Carson Creek Heritage Village 11)
Estimated Sample Property Tax Bill
Fiscal Year 2024-25

<u>Assumptions</u>				
Unit Type		<u>Roxbury</u>	<u>Mosaic</u>	<u>Legends</u>
<u>Assessed Value</u>				
Concluded Retail Value ⁽¹⁾		\$524,000	\$587,775	\$746,096
(Less) Homeowner Exemption		(7,000)	(7,000)	(7,000)
Net Assessed Value		\$517,000	\$580,775	\$739,096
<u>Ad Valorem</u>				
	<u>Tax Rate</u>			
General Purpose Ad Valorem Tax (Proposition 13)	1.000000%	\$5,170	\$5,808	\$7,391
El Dorado Union High School District	0.010405%	54	60	77
Los Rios Community College District	0.020000%	103	116	148
<i>Total Ad Valorem Taxes</i>	<i>1.030405%</i>	<i>\$5,327</i>	<i>\$5,984</i>	<i>\$7,616</i>
<u>Special/Direct Assessments</u>				
CSA 10 Solid Waste Management/Litter Collection		\$17	\$17	\$17
CSA 10 Household Hazardous Waste Fee		3	3	3
CSA 9 Road and Drainage Zone 98310 ⁽²⁾		20	20	20
CSA 7 West Slope Ambulance Service Fee		25	25	25
El Dorado Hills Community Services District		10	10	10
Library Services Tax (Zone E El Dorado Hills)		25	25	25
<i>Total Special/Direct Assessments</i>		<i>\$100</i>	<i>\$100</i>	<i>\$100</i>
<u>Mello-Roos Community Facilities District (CFD)</u>				
CFD 2024-1 (Carson Creek Heritage Village 11) IA No. 1 Facilities ⁽³⁾		\$2,256	\$2,665	\$3,579
CFD 2024-2 (Carson Creek Heritage Village 11) Services		368	368	368
El Dorado Hills Community Services District CFD 2019-01 ⁽⁴⁾		415	415	415
<i>Total Mello-Roos Community Facilities District</i>		<i>\$3,039</i>	<i>\$3,448</i>	<i>\$4,362</i>
Total Estimated Annual Property Taxes		\$8,465	\$9,532	\$12,077
Effective Tax Rate		1.6155%	1.6216%	1.6187%

(1) Per Appraisal. Average of each Plan Type.

(2) Properties may be subject to the County of El Dorado County Service Area #9 Zone of Benefit which provides for road and drainage facility maintenance and improvement services. Assessment is for improved parcels, assessment amount is different for unimproved parcels.

(3) Represents the Maximum Special Tax for the 2024/25 tax year. In 2024/25, the Special Tax was levied at the original tax rates set forth in the RMA.

(4) Assumes properties are to be levied at the maximum special rate for age restricted residential property, per CSD board determination. The special tax was not levied on the properties within CFD 2024-1 in FY 2024/25.

Source: Alliant Tax Research.

El Dorado Hills Community Services District Community Facilities District. As shown in the table above, parcels in the District are subject to a special tax of the El Dorado Hills Community Services District's Community Facilities District No. 2019-01 (Public Services) (the "CSD CFD"), which effectively replaced a previously authorized assessment of the El Dorado Hills Community Services District Carson Creek Park Lighting and Landscape Assessment District No. 39. For Fiscal Year 2024-25, the special tax rate for CSD CFD was \$415 per dwelling unit for "Age-Restricted Residential Property (multi-family),

Special Tax Collections and Delinquencies

Fiscal Year 2024-25 was the first year in which the Special Taxes are levied within the District. The following table shows the amount of the levy and collection status.

Fiscal Year	Amount Levied	No. of Parcels Levied	<u>As of April 10, 2025</u>		
			Amount Delinquent ⁽¹⁾	No. of Parcels Delinquent	% of Amount Delinquent
2024/25	\$742,606.92	119	\$0.00	0	0.0%

(1) Per El Dorado County Auditor-Controller Property Tax Division.

SPECIAL RISK FACTORS

The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the 2025 Bonds. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in a rapid depletion of the Reserve Fund and/or a default in payments of the principal of, and interest on, the 2025 Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the District. See “– Land Values” below.

Limited Obligation to Pay Debt Service

The 2025 Bonds are special obligations of the County payable solely from and secured solely by the Special Taxes and certain funds pledged therefor in the Fiscal Agent Agreement, including amounts in the Reserve Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

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

Property owners are not personally obligated to pay their Special Taxes. Rather, the Special Taxes are obligations only against the parcels against which they are levied. If, after a default in the payment of the Special Tax and a foreclosure sale, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the parcel, the County has no personal recourse against the parcel owner.

Concentration of Ownership

Ownership of the land within the District is currently concentrated. As of May 23, 2025, Lennar Homes owned 94 lots and the Landbank owned 240 lots. In FY26, the special taxes are expected to be levied on: (i) 75 individually-owned homes responsible for approximately 33% of the total levy, (ii) 93 lots owned by Lennar Homes with building permits pulled, homes under construction or homes completed, responsible for approximately 41% of the levy, and (iii) 59 lots owned by the Landbank, with building permits pulled, responsible for approximately 26% on the levy. Under the Option Agreement, Lennar Homes is responsible for paying the special taxes levied on Landbank-owned lots; consequently, Lennar Homes would currently be responsible for approximately 67% of the expected FY26 special tax levy. Although there will likely be transfers of ownership of this property as development progresses and home sales are closed, the timely payment of the 2025 Bonds depends upon the willingness and ability of all of the owners of taxable property within the District to pay the Special Taxes when due. In the event of special tax delinquencies, only the delinquent parcels of Taxable Property in the District subject to the special tax lien may be upon foreclosed against for delinquent Special Taxes levied against such parcel. Owners of multiple parcels of Taxable Property could choose to pay the Special Taxes on some but not all of their parcels and choose to pay some but not all of the Special Taxes, they may, as owners of parcels in the District, choose to default on payments of the Special Tax on select parcels. Also see “– Bankruptcy Delays” below.

Development of undeveloped property within the District may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of the homebuilders or other property owners to pay the Special Taxes when due. No assurance can be given that the remaining proposed residential developments will be partially or fully completed, and for

purposes of evaluating the investment quality of the 2025 Bonds, prospective purchasers should consider the possibility that such parcels will remain vacant and only partially improved.

Failure or Inability to Complete Proposed Development on a Timely Basis

Continued development in the District may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of the property owners to pay Special Taxes when due. For example, proposed development within the District may be adversely affected by economic conditions less favorable than currently projected by Lennar Homes, an inability of Lennar Homes or future owners of the parcels to obtain financing, fluctuations in the real estate market or interest rates, unexpected increases in development costs, changes in federal, state or local governmental policies relating to the ownership of real estate, water allocation related issues, or the appearance of previously unknown environmental impacts necessitating preparation of a supplemental environmental impact report, and by other similar factors.

First, partially developed land may be less valuable than developed land and may provide less security to the owners of the Bonds should it be necessary for the County to foreclose on undeveloped property due to the nonpayment of Special Taxes. Moreover, failure to complete the development on a timely basis could adversely affect the land values of those parcels which have been completed. Lower land values result in less security for the payment of principal of and interest on the Bonds and lower proceeds from any foreclosure sale necessitated by delinquencies in the payment of the Special Tax.

Second, any inability to develop the land within the District as planned could reduce the expected diversity of ownership of land within the District, making the owners of the Bonds more dependent upon timely payment of the Special Taxes levied on Lennar Homes. The Rate and Method allocates the Special Tax first to Developed Property, second to Final Map Property and third to Undeveloped Property, as more fully described herein under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Levy of Annual Special Tax, Maximum Special Tax."

No assurance can be given that the remaining proposed residential developments will be partially or fully completed, and for purposes of evaluating the investment quality of the 2025 Bonds, prospective purchasers should consider the possibility that such parcels will remain vacant and only partially improved.

Land Values

The value of taxable parcels in the District is a critical factor in determining the investment quality of the 2025 Bonds. If a property owner defaults in the payment of the Special Tax, the County's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land development and land values could be adversely affected by economic and other factors beyond the County's control, such as: a general economic downturn; adverse judgments in future litigation that could affect the scope, timing or viability of development; relocation of employers out of the area; stricter land use regulations; shortages of water, electricity, natural gas or other utilities; destruction of property caused by earthquake, flood, wildfire or other natural disasters; environmental pollution or contamination. Additionally, fire insurance has become increasingly costly for homeowners, with several major insurers recently exiting the California market and insurance policy costs escalating; readily available fire insurance at a reasonable cost may become an issue for homeowners buying or selling in California.

The valuation estimates presented herein represent the assessed value of taxable parcels in the District. The assessed valuation reflects the estimate of the Assessor of market value when acquired (or 1975, whichever is later), increased by up to 2% per year and may be increased by the value of newly constructed improvements which has occurred since the date of acquisition. The actual market value of parcels in the District, if sold at foreclosure, may be higher or lower than the assessed values.

Prospective purchasers of the 2025 Bonds should not assume that the property within the District could be sold for the assessed or appraised amount at a foreclosure sale for delinquent Special Taxes. The actual value of the property is subject to future events which might render invalid the assumptions relied upon by the Assessor in determining value.

Collection of Special Tax

In order to pay debt service on the 2025 Bonds and any Additional Bonds, it is necessary that the Special Taxes against taxable land within the District be paid in a timely manner. Should the Special Taxes not be paid on time, the County has established a Reserve Fund in the amount of the Reserve Requirement to pay debt service on the 2025 Bonds to the extent other funds are not available therefore. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Reserve Fund."

The Fiscal Agent Agreement and the Act provide that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described below and in the Act, is to be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* property taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Special Tax Collections." Pursuant to the Act, in the event of any delinquency in the payment of the Special Tax, the County may order the institution of a superior court action to foreclose the lien therefore within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, the County has covenanted for the benefit of the owners of the Bonds that the County will initiate judicial foreclosure proceedings under certain conditions in the event of a delinquency in the payment of one or more installments of the Special Tax as more fully described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Delinquent Payments of Special Tax; Covenant for Foreclosure." In lieu of instituting any particular foreclosure action, the County will have the right, but not the obligation, to advance from any available funds, other than any funds or accounts established under the Fiscal Agent Agreement, the amount of the delinquency; As described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Levy of Annual Special Tax; Maximum Special Tax," the County has enacted a Teeter Plan with respect to collection of the 1% base *ad valorem* property tax and with respect to general obligation bonds, but not with respect to special taxes or special assessments.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to holders of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the County of the proceeds of sale if the Reserve Fund is depleted. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Delinquent Payments of Special Tax; Covenant for Foreclosure." The County may be unable to make full or timely payment of debt service on the Bonds if property owners fail to pay installments of the Special Tax when due, if the Reserve Fund is depleted, or if the County is unable to sell foreclosed parcels for amounts sufficient to cover the delinquent installments of the Special Tax.

Maximum Special Tax Rates

Within the limits of the Rate and Method and the Act, the County may adjust the Special Tax levied on all property within the District to provide an amount required to pay interest on and principal of and minimum sinking fund payments for the Bonds, and the amount, if any, necessary to cure delinquencies and replenish the Reserve Fund to an amount equal to the Reserve Requirement and to pay all annual expenses. However, the amount of the Special Tax that may be levied against particular categories of property within the District is subject to the annual Maximum Special Tax rates. In the event of delinquencies, there is no assurance that the imposition of the annual Maximum Special Taxes on the various taxable Parcels within the District will create enough revenue to pay debt service on the Bonds. For information concerning the Rate and Method, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Tax Methodology."

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Rate and Method. In addition, the Act provides that properties or entities of the State, federal or local government are exempt from the Special Tax; provided, however, that property within the District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. The Act further provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment. The constitutionality and operation of these provisions of the Act have not been tested. In particular, insofar as the Act requires payment of the Special Tax by a federal entity acquiring property within the District, it may be unconstitutional. If for any reason property within the District becomes exempt from taxation by reason of ownership by a nontaxable entity such as the federal government, another public agency or a religious organization, the Special Tax would have to be reallocated, subject to the limitation of the maximum authorized rates, to the remaining taxable properties within the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax. Moreover, if a substantial portion of land within the District becomes exempt from the Special Tax because of public ownership or otherwise, the annual Maximum Special Tax which could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on the Bonds when due, and a default would occur with respect to the payment of such principal and interest.

Disclosures to Future Purchasers

The County has recorded a Notice of Special Tax Lien in the Office of the County Recorder with respect to Special Tax levied in the District. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land or a home in the District or the lending of money thereon. The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand

the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due. The Acquisition Agreement contains an agreement by Lennar Homes to comply with all disclosure requirements of the Act, specifically including the notice to prospective purchasers under Section 53341.5 of the Act.

Impact Fees Litigation

In December 2015, a lawsuit was filed claiming that the County failed to adopt the required periodic findings specified by statute with respect to the collection and expenditure of development impact fees collected by the County and deposited into eight County-maintained funds, and the County is thus obligated to refund all moneys held in these funds to the current lot owners. (*Austin v. County of El Dorado*, Case No. PC20150633). Of the eight impact fee funds that are the subject of the litigation, Lennar Homes paid specific impact fees into these five funds: 2004 General Plan El Dorado Hills, 2004 General Plan Highway 50 Variable Fee Fund, El Dorado Hills County Safety Fee Fund, El Dorado Hills Community Services District Park Fee Fund, El Dorado Hills County Water District Fire Impact Fee Fund. The impact fees are imposed, collected, and programmed by the County with the exception of the park and fire funds. Two other petitions have been filed related to the development impact fees collected by the County and deposited into the 2004 General Plan Highway 50 Variable Fund. (*Lunsmann v. County of El Dorado*, Case No. PC20170021; *Sheetz and Friends of El Dorado County v. County of El Dorado*, Case No. PC20170255). The *Lunsmann* case has been dismissed, but the *Austin* case is still pending as the trial court has yet to issue a final judgment and the County filed a notice of appeal of the trial court's interlocutory order. In the *Sheetz* case, the County prevailed on all issues at all levels of the California court system and the petitioner, having exhausted all of his state judicial remedies review by the United States Supreme Court. Following review by the United States Supreme Court, the matter was remanded back to the California Court of Appeal for further proceedings concerning the constitutionality of the County's traffic impact mitigation fee program. Oral arguments before the California Court of Appeal have been completed and the parties are awaiting a decision.

The lawsuits have no direct impact on the construction or completion of development within the District. If plaintiffs ultimately prevail before completion of the development in the District and the County is required to refund the moneys held in these funds to the current lot owners, it may potentially delay the construction or completion of public road improvements and park facilities in the El Dorado Hills area.

Future Land Use Regulations

Notwithstanding that land use approvals have been obtained by Lennar Homes with respect to development in the District, no assurance can be given that such approvals will ultimately exempt the development in the District from future land use or development restrictions, such as a limitation on the number of building permits that the County may issue each year. There are currently no reported cases in California which address the issue of whether the provisions of the Government Code relating to development agreements along with any related County ordinances, coupled with the existence of a recorded development agreement, will succeed in overriding the provisions of a subsequently enacted voter initiative or certain other land use regulations, including those of successor cities. Because the completion of the Development will not occur for several years, the imposition of future initiatives and other regulations on the Development could cause significant delays and cost increases not currently anticipated, thereby reducing the ability or willingness of property owners to pay the Special Taxes when due or

causing land values within the District to decrease substantially from those estimated by the Appraiser. See “SPECIAL RISK FACTORS – Land Values” herein.

It is also possible that future federal or state regulations, or regulations of other public agencies having jurisdiction over an aspect of the Development, could be applicable to the Development and could negatively affect the ability of Lennar Homes, or its successors, to complete the proposed Development. For example, EID could impose a water moratorium or new restrictions on the number of water allocations granted each year. In addition, it is the County’s understanding that any further use of Folsom Reservoir for water supplies will require that EID must enter into a contract with the United States Bureau of Reclamation (the “**Bureau**”) for the use of the Bureau’s Folsom Lake storage facilities. Before entering into this contract, the Bureau may be required to initiate and complete a consultation with the United States Fish and Wildlife Service under Section 7 of the Federal Endangered Species Act. This process could add to the time required for completion of the Development and could result in additional restrictions on the use of such water supplies, including related land use restrictions. In addition, measures could be imposed to protect any endangered species which might be identified in or near the Development in the future (see “– **Endangered Species**”). This possibility presents a risk to prospective purchasers of the Bonds, or beneficial ownership interests therein, in that an inability to complete the Development as planned increases the risk that the Bonds will not be repaid when due. See “SPECIAL RISK FACTORS - Failure or Inability to Complete Proposed Development on a Timely Basis.

Earthquakes

The District, like many California communities, may be subject to unpredictable seismic activity. The occurrence of seismic activity in the District could result in substantial damage to properties in the District which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay their Special Taxes when due. The District is not located in any existing special study zone delineated by the Chief of the Division of Mines and Geology of the State of California as an area of known active faults and is not otherwise known to be located within an area of any significant seismic activity.

Droughts and Wildfires

Droughts. California has been subject to droughts from time-to-time in the past. Although there are not currently any drought conditions that would restrict development in the District, no assurances can be given regarding future conditions. See “– Potential Impact of Water Shortage” and “– Future Land Use Regulations.”

Wildfires. In the past, drought conditions in the State (see “– Drought above”) have led to increased risk of wildfire. In particular, certain electrical operators in the State have seen their distribution/transmission lines cause billions of dollars in property damage and the loss of lives. In 2023, as in several prior years, for example, devastating wildfires burned in various communities in California, causing wide-spread damage. In 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. Although not located in a very high fire hazard severity zone, no assurance can be given that wildfires will not erupt in the District and negatively impact development of property in the District or willingness and ability to pay property taxes in the future.

On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "Governor's Order") which canceled penalties, costs and interest on overdue property taxes (including special taxes) within certain zip codes affected by the Palisades Fire and the Altadena Fire during calendar year 2025. This will likely cause a delay in the payment of special taxes by certain property owners in any community facilities districts affected by Governor's Order. Unless the majority of property owners within the community facilities districts pay their special taxes voluntarily or have mortgage impound accounts, it is likely that the community facilities districts will need to draw upon a reserve fund to make debt service payments on outstanding bonds prior to the expiration of the Governor's Order and it is possible that outstanding bonds will experience a payment default. In the event of a major fire or other natural disaster affecting the District, a similar order affecting the District could impact the debt service payment for the 2025 Bonds.

Fire Insurance

Fire insurance has become increasingly costly for homeowners, with several major insurers no longer willing to insure homes in California. In many instances existing policies are not being renewed, or if renewed are subject to substantial increases in premium cost. Should prospective homeowners be unable to obtain fire insurance or face high premium costs, they may be reluctant to purchase a home in the District or may not be able to qualify for a mortgage, which in turn may affect the rate of home sales within the District. Although Lennar Homes reports that prospective homeowners have not experienced issues obtaining fire insurance when purchasing homes in the District, no assurance can be given that going forward fire insurance will be readily available at a reasonable price to homeowners within the District.

Endangered Species

It is illegal to harm or disturb any plants or animals in their habitat that have been listed as endangered species by the United States Fish & Wildlife Service under the Federal Endangered Species Act or by the California Fish & Game Commission under the California Endangered Species Act without a permit. Lennar Homes indicates that no special status plant or wildlife species were found on site during the field surveys conducted in preparation of the EIR, and that there has been no other indication to date that any plant or animal species listed (or proposed for listing by the California Department of Fish and Game or the United States Fish and Wildlife Service) as threatened or endangered under either the State or federal endangered species acts, inhabits any of the proposed development within the District. However, other than any that are permitted by the entitlements already received, the discovery of an endangered plant or animal could delay development or reduce the value of undeveloped property in the District. Additionally, new species are proposed to be added to the State and federal protected lists on a regular basis. Any action by the State or federal governments to protect species located on or adjacent to the property within the District could negatively affect the ability to complete development in the District as planned. This, in turn, could reduce the likelihood of timely payment of the Special Taxes and would likely reduce the value of the land estimated by the Appraiser and the potential revenues available at a foreclosure sale for delinquent Special Taxes. See "SPECIAL RISK FACTORS - Failure or Inability to Complete Proposed Development on a Timely Basis."

Hazardous Substances

While governmental taxes, assessments, and charges are a common claim against the value of a taxed parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to pay the Special Tax is a claim with regard to hazardous substances. In general, the owners and operators of parcels within the

District may be required by law to remedy conditions of the parcels related to the releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substances condition of a property whether or not the owner or operator has anything to do with creating or handling the hazardous substance.

There exists in western portions of the County serpentine bedrock which can contain a natural form or forms of asbestos. Disturbance of the serpentine bedrock during development could release asbestos into the air. In response to this potential for release of asbestos into the air, the County adopted and is implementing Ordinance No. 4489 which contains construction control measures to be applied whenever development occurs within serpentine bedrock. Those measures require sites to be kept wet and machinery to be kept dust free during periods of exposure and work in serpentine bedrock. See “– Naturally Occurring Asbestos” below.

The effect of any parcel within the District being affected by a hazardous substance could be to reduce the marketability and value of the parcel by the costs of remedying the condition, because the owner is obligated to remedy the condition. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the financial and legal ability of a property owner to develop the affected parcel or other parcels, as well as the value of the property that is realizable upon a delinquency and foreclosure.

Naturally Occurring Asbestos

Naturally occurring asbestos is found in the rocks (primarily serpentine) and soil of El Dorado Hills. Natural weathering or human disturbance can break the asbestiform minerals down to microscopic fibers, which are easily suspended in air. There is no health threat if asbestos fibers in soil remain undisturbed and do not become airborne. When inhaled, these thin fibers irritate tissues and resist the body’s natural defenses. Asbestos causes cancers of the lung (such as mesothelioma) and the lining of internal organs, asbestosis, and other diseases that inhibit lung function. Scientists consider certain types of asbestos fibers (i.e., tremolite fibers and similarly structured amphibole asbestos particles) that are frequently identified in the County to be more potent than other types in causing mesothelioma.

In response to the potential for release of asbestos fibers into the air, the County first adopted an ordinance that contains construction control measures to be applied whenever development occurs in areas containing serpentine rock. These regulations do not prohibit construction activities, but in areas where naturally occurring asbestos can be found, construction projects must have dust-control measures in place as well as mitigation procedures for soil and rock areas disturbed by construction. In addition, the asbestos ordinance requires a disclosure as part of real estate transactions for properties where naturally occurring asbestos soils are known to have been disturbed. In 2002, a vein of rock containing amphibole asbestos was uncovered during construction of new soccer fields at Oak Ridge High School, which is located in Serrano, approximately four miles north of the District. As a result, the U.S. Environmental Protection Agency (EPA) conducted a comprehensive investigation to assess the potential for exposure from naturally occurring asbestos. In 2004, the EPA collected samples in local community areas and schools, including children’s playgrounds and local parks. The EPA collected fixed samples of air and soil and “activity-based” samples of air. The “activity-based” air samples were collected during

simulated recreational activities to more accurately estimate the level of exposure for children and adults engaged in these activities. The EPA's report of its investigation showed that asbestos fibers were found in almost all of the samples collected.

On August 16, 2011, the Agency for Toxic Substances and Disease Registry (ATSDR) of the U.S. Department of Health and Human Services released the final version of its report on its health consultation, titled "Evaluation of Community-Wide Asbestos Exposures, El Dorado Hills Naturally Occurring Asbestos Site." ATSDR reached two conclusions in the health consultation: breathing in naturally occurring asbestos in the El Dorado Hills area, over a lifetime, has the potential to harm people's health, and reducing exposures to naturally occurring asbestos will protect people's health and is warranted in El Dorado County based on estimates of past exposures. The report noted that mesothelioma incidence, which is tracked by the California Cancer Registry, was not higher than expected in western El Dorado County at the time of the report. However, mesothelioma may take decades after exposure to appear. ATSDR recommended that state and local entities continue to enforce applicable dust regulations throughout the community, which will reduce releases of naturally occurring asbestos fibers and that community members and groups learn how to minimize their exposure to asbestos while conducting their normal activities.

The health concerns associated with the presence of naturally occurring asbestos in El Dorado Hills may adversely affect the marketability of property in the area.

Potential Impact of Water Shortage

The number of existing water allotments is limited, and no assurance can be made that additional water supplies will be made available or that existing supplies will not be reduced. EID has invoked water shortage emergency powers pursuant to California Water Code Section 350 et seq. during two periods within the last 18 years (from March 12, 1990 through June 12, 1992 and from November 9, 1992 through August 9, 1993). In the first case, this was due to a perceived shortage of water supply, and in the second case, delivery of available water supply was interrupted as a result of a major forest fire. In the first case, EID ceased allowing new hook-ups pending confirmation of its capacity to serve but constructed facilities to more fully utilize existing water supplies which were made available for new hook-ups. In the second case, EID developed water conservation plans and water shortage response measures to deal with this and future emergencies.

Lennar Homes indicates it does not anticipate any water availability issues to complete build-out of the development. Water service has been provided to the first three planned villages, Villages 11A, 11B and 11C, and is expected to be available for the final village. However, if water supply is cut off to Village 11D by virtue of existing limitations or future actions resulting from drought conditions, or by virtue of water moratoriums or any other reason, development within the District may be delayed or even stopped. The anticipated diversity of ownership of land within the District would be reduced, making the owners of the Bonds more dependent upon Lennar Homes' timely payment of the Special Taxes levied on the undeveloped property. Any reduction or interruption in the water supply would also likely cause a reduction in the estimated land value provided by the Appraiser and thus a reduction in the security in the event of a need to foreclose on land within the District following a delinquency in the payment of Special Taxes. For information concerning the existing supply of water allocations within the District, see "– Future Land Use Regulations" above.

Direct and Overlapping Public Indebtedness

The ability or willingness of an owner of land within the District to pay the Special Taxes could be affected by the existence of other taxes and assessments imposed upon the property. The lien of the Special Tax is co-equal to and independent of the lien for general property taxes, other special taxes, and certain special assessments. Thus, the existence of general property taxes, other special taxes, and assessments may reduce the value-to-lien ratio of the affected parcels. In addition, other public agencies whose boundaries overlap those of the District could, with (or in some circumstances without) the consent of the owners of the land within the District, impose additional taxes or assessment liens on the property within the District in order to finance public improvements to be located inside of or outside of the District. The District and the County may have no control over the ability of other public agencies to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property within the District. In addition, the property owners within the District may, without the consent or knowledge of the County or the District, petition other public agencies to issue public indebtedness secured by special taxes or assessments. Any such special taxes would create a lien on such property on a parity with that securing the Special Tax, and any such special assessments may create a lien on such property on a parity with that securing the Special Tax. The imposition of additional liens on a parity with the Special Taxes could reduce the ability or willingness of the landowners to pay the Special Taxes and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes or the principal of and interest on the Bonds when due.

FDIC/Federal Government Interests in Properties

General. The ability of the District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “**FDIC**”), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: “This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding.”

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the District but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government’s mortgage interest. In Rust v. Johnson (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National

Mortgage Association (“**FNMA**”) is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

Bankruptcy and Foreclosure Delays

The payment of Special Taxes and the ability of the District to foreclose the lien of a delinquent unpaid Special Tax could be significantly limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process.

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.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings and could result in the possibility of delinquent Special Tax installments not being paid in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds. To the extent that property in the District continues to be owned by a limited number of property owners, the chances are increased that the Reserve Fund could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient monies would not be available in the Reserve Fund for transfer to the Bond Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the Bonds on a timely basis.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on that property. The court upheld the priority of unpaid *ad valorem* taxes imposed before the bankruptcy petition (the “pre-petition taxes”), but unpaid taxes imposed after the filing of the bankruptcy petition (“post-petition taxes”) were declared to be unsecured “administrative expenses” of the bankruptcy estate, and were therefore held to be payable from the bankruptcy estate only after payment of all secured creditors. As a result, the secured creditor of the property was able to foreclose on the property and retain all of the proceeds of the sale except for the amount of the pre-petition taxes.

According to the court’s ruling, as administrative expenses, post-petition taxes would have to be paid, but only if the debtor had sufficient assets not subject to other perfected security interests to do so. In certain circumstances, payment of such administrative expenses may also be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise) it would at that time again become subject to and would secure liens for then current and future *ad valorem* taxes.

Glasply was controlling precedent on bankruptcy courts in the State of California for several years subsequent to the date of the Ninth Circuit’s holding. Pursuant to state law, the lien date for general *ad valorem* property taxes levied in the State of California is the January 1 preceding the fiscal year for which the taxes are levied. Under the *Glasply* holding, a bankruptcy

petition filing would have prevented the lien for general *ad valorem* property taxes levied in fiscal years subsequent to the filing of a bankruptcy petition from attaching and becoming a lien so long as the property was a part of the estate in bankruptcy. However, the *Glasply* holding was for the most part subsequently rendered inoperative with respect to the imposition of a lien for and the collection of *ad valorem* taxes by amendments to the federal Bankruptcy Code (Title 11 U.S.C.) which were part of the Bankruptcy Reform Act of 1994 (the “Bankruptcy Reform Act”) passed by Congress during the later part of 1994. The Bankruptcy Reform Act added a provision to the automatic stay section of the Bankruptcy Code which, pursuant to Section 362(b)(18) thereof, excepts from the Bankruptcy Code’s automatic stay provisions, “the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state, if such tax comes due after the filing of the petition” by a debtor in bankruptcy court. The effect of this provision is to continue the secured interest of *ad valorem* taxes on real property (i.e., post-petition taxes) in effect during the period following the filing of a bankruptcy petition, including during the period bankruptcy proceedings are pending.

Without further clarification by the courts or Congress, the original rationale of the *Glasply* holding could, however, still result in the treatment of post-petition special taxes as “administrative expenses,” rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings. This treatment might result from the fact that, although the lien of special taxes is of record from the date of the filing of a Notice of Special Tax Lien, the actual special tax is levied annually. As noted above, special taxes have a different lien date than the lien date for general *ad valorem* taxes in the State of California noted above. The lien of a Mello-Roos special tax attaches upon recordation of the notice of the special tax lien, as provided for in Section 53328.3 of the Act, as opposed to the annual January 1 lien date for general *ad valorem* taxes. Thus, in deciding whether the original *Glasply* ruling is applicable to a bankruptcy proceeding involving special taxes rather than general *ad valorem* property taxes, a court might consider the differences in the statutory provisions for creation of the applicable tax lien (general *ad valorem* or special tax) in determining whether there is a basis for post petition special taxes to be entitled to a lien on the property during pending bankruptcy proceedings. If a court were to apply *Glasply* to eliminate the priority of the special tax lien as a secured claim against property with respect to post-petition levies of the Special Taxes made against property owners within the District who file for bankruptcy, collections of the Special Taxes from such property owners could be reduced as the result of being treated as “administrative expenses” of the bankruptcy estate. Also, and most importantly, is the fact that the original holding in *Glasply* and the mitigation of that holding by the Bankruptcy Reform Act of 1994 both appear to be applicable only to general *ad valorem* taxes, and, therefore, the exemption from the automatic stay in Section 362(b)(18) discussed above may not be applicable to special taxes since they were not expressly mentioned or provided for in this section, nor defined to be included within the term “*ad valorem* taxes.”

No Acceleration Provision

The 2025 Bonds do not contain a provision allowing for the acceleration of the 2025 Bonds in the event of a payment default or other default under the *terms* of the 2025 Bonds or the Fiscal Agent Agreement. Pursuant to the Fiscal Agent Agreement, a bondholder is *given* the right, for the equal benefit and protection of all bondholders similarly situated, to pursue certain remedies described in the Fiscal Agent Agreement. So long as the 2025 Bonds are in book-entry form, DTC will be the sole bondholder and will be entitled to exercise all rights and remedies of bondholders. See “APPENDIX F – BOOK-ENTRY SYSTEM.”

Loss of Tax Exemption

As discussed under the caption “TAX MATTERS,” interest on the 2025 Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the 2025 Bonds were issued, as a result of future acts or omissions of the County in violation of its covenants in the Fiscal Agent Agreement. The Fiscal Agent Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the 2025 Bonds were to be includable in gross income for purposes of federal income taxation, the 2025 Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional or mandatory redemption or redemption upon prepayment of the Special Tax.

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies in the State, including the Special Taxes levied within the District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2025 Bonds.

Secondary Market for the Bonds

No application has been made for a credit rating for the 2025 Bonds, and it is not known whether a credit rating could be secured either now or in the future for the 2025 Bonds. There can be no assurance that there will ever be a secondary market for purchase or sale of the 2025 Bonds. From time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market, the financial condition and results of operations of the owners of property located within the boundaries of the District, and the extent of the proposed development of the parcels within the District. The 2025 Bonds should therefore be considered long-term investments in which funds are committed to maturity, subject to redemption prior to maturity as described herein.

Case Law Related to the Mello-Roos Act

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

At the election to authorize the CCFD special tax, the CCFD proceedings limited the electorate to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel was located. Registered voters in the City of San Diego were not permitted to vote. This definition of the qualified electors of the CCFD was based on Section 53326(c) of the Mello-Roos Act, which generally provides that, if a special tax will not be apportioned in any

tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed community facilities district whose property would be subject to the special tax.

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

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

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

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

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

Landowner voters approved the Special Taxes and the issuance of bonds for the District in compliance with all applicable requirements of the Mello-Roos Act on April 16, 2014. Pursuant to the request and vote of the affected landowners, a change to the Rate and Method was adopted by resolution of the Board of Supervisors on November 14, 2017. Therefore, pursuant to Sections 53341 and 53359 of the Mello-Roos Act, the statute of limitations period to challenge the validity of the special tax has expired.

Because the *San Diego* Court expressly stated that it did not consider the facts presented by the District and because the period for challenging the Special Taxes has passed, the County believes the Special Taxes are valid and cannot be challenged.

Public Health Emergencies and Perceptions

In recent years, public health authorities have increasingly focused on pandemic diseases such as the COVID-19, resulting in a greater public concern of new or ongoing health emergencies or threats posed by outbreaks of disease and other public health threats. Pandemic diseases or perceptions of imminent serious disease outbreaks arising in the future could have significant adverse health and financial impacts throughout the world, leading to loss of jobs and

personal financial hardships, and/or actions by federal, State and local governmental authorities to contain or mitigate the effects of an outbreak.

Taxpayer assistance measures may include deferral of due dates of property taxes, which was an assistance program during the COVID-19 pandemic, and with or without a deferral some taxpayers may be unable to make their property and Special Tax payments. No assurance can be given that the property tax payment dates will not be deferred in the future, which may cause a delay in the receipt of Special Taxes. In addition, home values may be affected by a reduction in demand stemming from personal finances, or general widespread economic circumstances resulting from pandemic diseases.

Cyber Security

The County, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the County is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the County's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the County or the District, or the administration of the 2025 Bonds. The County is also reliant on other entities and service providers in connection with the administration of the 2025 Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes, the Fiscal Agent, and the dissemination agent. No assurance can be given that the County, the District and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Potential Early Redemption of Bonds from Prepayments

Property owners within the District, including Lennar Homes and individual homeowners, are permitted to prepay their Special Tax obligation at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such prepayments will result in a redemption of the Bonds on the interest payment date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of the prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds.

LEGAL MATTERS

Legal Opinions

The legal opinion of Jones Hall LLP, San Mateo, California, as Bond Counsel, approving the validity of the 2025 Bonds will be made available to purchasers at the time of original delivery and is attached in substantially final form as APPENDIX D.

Jones Hall LLP, San Mateo, California, has served as Disclosure Counsel to the County. The County Counsel will pass upon certain legal matters for the County as its general counsel. Stradling, Yocca, Carlson & Rauth LLP, Newport Beach, California, has served as counsel to the Underwriter.

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall LLP, San Mateo, California, as Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2025 Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2025 Bonds. The County has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2025 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2022 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2022 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2022 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2025 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2022 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2025 Bonds who purchase the 2025 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2025 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2025 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such 2025 Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2022 Bond (said term being the shorter of the 2022 Bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2022 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2022 Bond is amortized each year over the term to maturity of the 2022 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2022 Bond premium is not deductible for federal income tax purposes. Owners of premium 2025 Bonds, including purchasers who do not purchase in the original offering, should

consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2025 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2025 Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2025 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2025 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2025 Bonds, or as to the consequences of owning or receiving interest on the 2025 Bonds, as of any future date. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2025 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2025 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2025 Bonds, the ownership, sale or disposition of the 2025 Bonds, or the amount, accrual or receipt of interest on the 2025 Bonds.

No Litigation

At the time of delivery of and payment for the 2025 Bonds, the County Counsel will deliver his opinion that to the best of its knowledge there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or regulatory agency pending against the County affecting its existence or the titles of its officers to office or seeking to restrain or to enjoin the issuance, sale or delivery of the 2025 Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreements, or the collection or application of the Special Tax to pay the principal of and interest on the 2025 Bonds, or in any way contesting or affecting the validity or enforceability of the 2025 Bonds, the Fiscal Agent Agreements or any action of the County contemplated by any of 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 County or its authority with respect to the 2025 Bonds or any action of the County contemplated by any of said documents.

CONTINUING DISCLOSURE

The County

The County has covenanted for the benefit of owners of the 2025 Bonds to provide certain financial information and operating data relating to the District by not later than April 30 after the end of the County's fiscal year (presently June 30) in each year (the "**Annual Report**"), commencing with its report for Fiscal Year 2024-25, and provide notices of the occurrence of certain enumerated events.

The Annual Report and notices of listed events will be filed with the Municipal Securities Rulemaking Board ("**MSRB**") or otherwise as required by Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The covenants of the County have been made in order to assist the Underwriter in complying with the Rule. The specific nature of the information to be contained in the Annual Report or the notices of listed events by the County is summarized in "APPENDIX E – FORM OF CONTINUING DISCLOSURE UNDERTAKING."

[STIFEL TO REVIEW] The County has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of bonds. Within the last five years, the County has not met its disclosure undertakings with regards to timing of filing its audited financial statements for certain of its outstanding obligations. The County's audited financial statement for fiscal years 2017-18 through 2021-22 were filed approximately 6 months late and audited financial statements for fiscal year 2022-23 have not yet been filed for financings with an October 30th annual reporting date. Within the last five years, the County failed to file notice of certain rating changes in a timely manner with respect to previously issued special tax bonds.

In order to assist the County in complying with its disclosure undertakings, including timely submission of information for the 2025 Bonds, the County utilizes a third party to serve as its dissemination agent to assist with future disclosure undertakings, currently NBS Government Finance Group. The County has also revised the due date for its annual reports from the October 30 date on certain of its other outstanding bonds to April 30 in order to further enhance its ability to comply with its continuing disclosure obligations. The County expects to be able to meet its disclosure obligations for the 2025 Bonds.

Lennar Homes

Lennar Homes is not an obligated party under the Rule but has voluntarily agreed to provide semi-annual continuing disclosure for the benefit of Bondowners. Lennar Homes will enter into a Continuing Disclosure Certificate (Developer) covenanting to provide certain information regarding the development of its property and notice of certain material events as they occur until such time as Lennar Homes and the Land Bank (during the term of the Option Agreement) own property in the District responsible for less than 20% of the special tax levy for the District.

Lennar Homes represents that, other than as disclosed in this paragraph, to the actual knowledge of Lennar Homes, Lennar Homes has not failed in any material respect to comply with any previous undertaking by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in California within the past five years. However, (i) in connection with the \$16,780,000 California Municipal Finance Authority Special Tax Revenue Bonds BOLD Program Series 2020B, Lennar Homes inadvertently failed to file the initial Semi-Annual Report by the due date of May 1, 2021, but filed

a curative report on May 21, 2021; and (ii) in connection with the \$5,795,000 City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021B, Lennar Homes inadvertently failed to file the initial annual report by the due date of April 1, 2022, but filed a curative report on September 21, 2022.

NO RATINGS

The County has not applied to a rating agency for the assignment of a rating to the Bonds and does not contemplate applying for a rating.

UNDERWRITING

The 2025 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, as underwriter (the “**Underwriter**”), at a purchase price of \$_____ (representing the principal of amount of the Bonds, less an underwriter’s discount of \$_____, plus a net original issue premium of \$_____).

The purchase agreement relating to the 2025 Bonds provides that the Underwriter will purchase all of the 2025 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell the 2025 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the County and to persons and entities with relationships with the County, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the County.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

PROFESSIONAL FEES

In connection with the issuance of the 2025 Bonds, fees or compensation payable to certain professionals are contingent upon the issuance and delivery of the 2025 Bonds. Those professionals include: the Underwriter; Jones Hall LLP, as Bond Counsel and Disclosure Counsel; Stradling, Yocca, Carlson & Rauth, a Professional Corporation, as Underwriter's Counsel; NBS, as Special Tax Consultant; and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent.

EXECUTION

The execution and delivery of the Official Statement by the County has been duly authorized by the Board of Supervisors, acting as the legislative body of the District.

COUNTY OF EL DORADO

By: _____
Auditor-Controller

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX B
THE APPRAISAL

APPENDIX C

GENERAL INFORMATION ABOUT THE COUNTY OF EL DORADO

The boundary of the District (and the District) is entirely within the County of El Dorado. This section provides certain information about the economy and demographic trends in the County. However, no revenues of the County or taxes on economic activity in the County are pledged to payment of the 2025 Bonds. The 2025 Bonds are payable solely from Special Taxes levied on taxable property in the District.

General and Location

The County of El Dorado (the “**County**”) was incorporated as a general law county in 1850, with the City of Placerville as the county seat. The County was organized and has been operating as a charter county since 1994, when voters adopted a county charter by majority vote under Article XI, Section 4 of the California Constitution. A five-member Board of Supervisors functions as the County’s legislative body, and each supervisor is elected by voters within his or her supervisorial district. Because much of the County is comprised of unincorporated areas, the County provides a wide range of services through its departments and by special districts for these areas.

The County’s 1,711.5 square miles encompass a portion of Lake Tahoe on the east and extend to the west within 25 miles of Sacramento. The City of Placerville is located 150 miles east of San Francisco, 44 miles east of Sacramento and 60 miles west of the City of Lake Tahoe. Federal, State or local government owns more than half of the land in the County.

Population

The historic population estimates for the County and the State of California as of January 1 of the calendar years 2021 through 2025 are listed below.

County of El Dorado and State of California Population Estimates

Calendar Year	El Dorado County	State of California
2021	191,211	39,369,530
2022	190,549	39,179,680
2023	188,063	39,228,444
2024	190,632	39,420,663
2025	190,770	39,529,101

Source: California State Department of Finance.

Effective Buying Income

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

The following table summarizes the total effective buying income for the County, the State, and the United States for the period 2021 through 2025.

**EL DORADO COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
EFFECTIVE BUYING INCOME
As of January 1, 2021 through 2025**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2021	El Dorado County	\$7,711,541	\$73,169
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	El Dorado County	\$8,429,911	\$81,237
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	El Dorado County	\$8,459,722	\$81,743
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	El Dorado County	\$9,264,986	\$86,918
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	El Dorado County	\$10,015,248	\$95,149
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687

Source: Claritas, LLC.

Taxable Transactions

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following tables.

Total taxable sales during calendar year 2024 in the County were reported to be \$3,223,345,625, a 1.76% decrease from the total taxable sales of \$3,280,998,450 reported during calendar year 2023.

COUNTY OF EL DORADO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2020 through 2024
(Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	4,332	\$2,005,650	7,309	\$2,707,847
2021	3,797	2,283,027	6,547	3,120,528
2022	3,821	2,432,789	6,664	3,382,159
2023	3,561	2,332,040	6,354	3,280,998
2024	3,563	2,286,033	6,376	3,223,346

Source: State Department of Tax and Fee Administration.

Largest Employers

The following table lists, in alphabetical order, the largest manufacturing and non-manufacturing employers within the County as of June 2025.

COUNTY OF EL DORADO Major Employers As of June 2025 (In Alphabetical Order)

Employer Name	Location	Industry
Beach Retreat & Lodge	South Lake Tahoe	Hotels & Motels
Blue Shield of California	El Dorado Hills	Insurance
Broadridge Financial Solutions	El Dorado Hills	Business Services NEC
Camp Richardson Lake Tahoe	South Lake Tahoe	Resorts
CEMEX	El Dorado Hills	Construction Companies
Child Development Programs	Placerville	Youth Organizations & Centers
County of Eldorado	Placerville	County Government-General Offices
El Dorado County Child Protctn	Placerville	Government Offices-County
El Dorado County Sheriff	Placerville	Sheriff
El Dorado County Trnsprtn	Placerville	Car Service
El Dorado Irrigation District	Placerville	Utilities
Lake Tahoe Community College	South Lake Tahoe	Junior-Community College-Tech Institutes
Marriott's Timber Lodge	South Lake Tahoe	Hotels & Motels
More	Placerville	Vocational Rehabilitation Services
Nugget Markets	El Dorado Hills	Grocers-Retail
Oak Ridge High School	El Dorado Hills	Schools
Raley's	Placerville	Grocers-Retail
Safeway	South Lake Tahoe	Grocers-Retail
Safeway	El Dorado Hills	Grocers-Retail
Sierra-At-Tahoe Resort	Twin Bridges	Skiing Centers & Resorts
Sky Mountain Charter School	Placerville	Schools
South Lake Tahoe City Manager	South Lake Tahoe	City Government-Executive Offices
Spare Time Inc	El Dorado Hills	Health Clubs Studios & Gymnasiums
Transitional Learning Ctr High	South Lake Tahoe	Schools
Zephyr Cove Resort	South Lake Tahoe	Marinas

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2025 1st edition.

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Industry and Employment

The unemployment rate in the Sacramento-Roseville-Folsom MSA was 4.4 percent in April 2025, down from a revised 4.7 percent in March 2025, and above the year-ago estimate of 4.2 percent. This compares with an unadjusted unemployment rate of 5.0 percent for California and 3.9 percent for the nation during the same period. The unemployment rate was 4.5 percent in El Dorado County, 3.8 percent in Placer County, 4.5 percent in Sacramento County, and 5.2 percent in Yolo County.

The table below shows the Sacramento-Roseville-Arden-Arcade MSA's labor patterns during 2019 through 2023.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT Sacramento-Arden-Arcade-Roseville MSA (El Dorado, Placer, Sacramento, Yolo Counties) (Annual Averages) (March 2023 Benchmark)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Civilian Labor Force</u> ⁽¹⁾	1,099,300	1,093,500	1,105,400	1,112,100	1,129,200
Employment	1,059,200	996,600	1,034,400	1,069,700	1,080,500
Unemployment	40,100	96,900	71,000	42,400	48,600
Unemployment Rate	3.7%	8.9%	6.4%	3.8%	4.3%
<u>Wage and Salary Employment</u> ⁽²⁾					
Agriculture	8,700	8,300	9,000	8,600	9,100
Mining and Logging	500	500	500	500	500
Construction	69,400	70,200	74,900	77,100	74,700
Manufacturing	36,800	36,100	37,700	40,600	40,500
Wholesale Trade	28,600	26,600	26,900	28,300	28,500
Retail Trade	100,500	95,100	100,600	100,300	99,000
Transportation, Warehousing and Utilities	32,200	34,300	37,500	40,800	41,600
Information	11,900	10,200	10,100	10,500	9,900
Finance and Insurance	35,200	34,800	34,100	33,000	30,500
Real Estate and Rental and Leasing	17,300	16,900	17,700	18,800	18,400
Professional and Business Services	137,200	132,600	137,200	139,700	134,400
Educational and Health Services	166,600	164,000	168,800	175,600	188,700
Leisure and Hospitality	109,600	83,900	93,600	108,700	112,500
Other Services	35,400	31,000	33,300	36,100	38,300
Federal Government	14,200	14,800	14,500	14,400	14,500
State Government	121,900	121,700	127,300	129,800	134,400
Local Government	105,300	98,900	98,400	102,700	107,400
Total, All Industries ⁽³⁾	1,031,200	979,800	1,021,900	1,065,400	1,083,000

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

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

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Construction Activity

Construction activity in the County for the past five years for which data is available is shown in the following tables.

EL DORADO COUNTY Building Permit Valuation For Calendar Years 2019 through 2023 (Dollars in Thousands)⁽¹⁾

	2019	2020	2021	2022	2023
<u>Permit Valuation</u>					
New Single-family	\$404,049.4	\$271,705.8	\$272,949.4	\$272,193.6	\$159,867.1
New Multi-family	14,250.0	2,621.6	0.0	34,910.0	321.0
Res. Alterations/Additions	39,291.3	30,270.3	42,208.2	58,069.1	27,824.1
Total Residential	457,590.7	304,597.7	315,157.6	365,172.7	188,012.2
 New Commercial	 42,622.0	 16,917.1	 37,727.2	 33,737.9	 11,135.6
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	35,357.3	28,555.7	44,229.5	46,142.7	30,138.5
Com. Alterations/Additions	27,883.6	24,950.1	23,256.9	46,318.6	27,777.3
Total Nonresidential	105,862.9	70,422.9	105,213.6	126,199.2	69,051.4
 <u>New Dwelling Units</u>					
Single Family	595	649	697	626	523
Multiple Family	18	7	0	83	2
TOTAL	613	656	697	709	525

(1) Totals may not foot due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

Tourism

Tourism has long been a major component of the County's economy. Lake Tahoe on the County's eastern edge is a world-class destination attraction with a varied offering of both winter and summer sports. Marshall State Park Gold Discovery Site, Folsom Lake, Apple Hill (a ranch marketing area) and other attractions in the western part of the County provide another range of diversity to visitors. Much of the central part of the County lies in the El Dorado and Tahoe National Forests, which provide hiking, camping, fishing, hunting and other outdoor recreation.

Transportation

Two major highways (U.S. 50 and U.S. 49) intersect the County while Interstate 5 and Interstate 80 are within 45 minutes of the City of Placerville. Commercial air service is provided to the western portion of the County by the Sacramento Metropolitan Airport, 50 miles west of the City of Placerville. More than 200 trucking firms serve the County area, with interstate, local and special hauling. The County is also served by Greyhound Bus Lines.

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

_____, 2025

Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, CA 95667

OPINION: \$ _____ County of El Dorado Community Facilities District No. 2024-1
 (Carson Creek Heritage Village 11) Special Tax Bonds Series 2025

Members of the Board of Supervisors:

We have acted as bond counsel in connection with the issuance by the County of El Dorado (the "County") of its \$ _____ County of El Dorado Community Facilities District No. 2024-1 (Carson Creek Heritage Village 11) Special Tax Bonds Series 2025 (the "Bonds") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being sections 53311 *et seq.* of the California Government Code (the "Act"), a resolution of the County adopted _____, 2025 (the "Resolution of Issuance") and a Fiscal Agent Agreement, dated as of August 1, 2025, by and between the County and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent Agreement"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

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

Based upon our examination we are of the opinion, under existing law, that:

1. The County is duly organized and validly existing as a charter county under the laws of the State of California, with power to enter into the Fiscal Agent Agreement, to perform the agreements on its part contained therein and to issue the Bonds.
2. The Bonds have been duly authorized, executed and delivered by the County and are legal, valid and binding obligations of the County, payable solely from the sources provided therefor in the Fiscal Agent Agreement.
3. The Fiscal Agent Agreement has been duly approved by the County and constitutes a legal, valid and binding obligation of the County enforceable against the County in accordance with its terms.

4. Pursuant to the Act, the Fiscal Agent Agreement establishes a valid lien on and pledge of the Special Tax Revenues (as such term is defined in the Fiscal Agent Agreement) for the security of the Bonds.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal tax purposes. The County has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

6. Interest on the Bonds is exempt from California personal income taxation.

Interest on the Bonds may be subject to the corporate alternative minimum tax. We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

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

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

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

Respectfully submitted,

APPENDIX E

FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS

[EL DORADO COUNTY]

\$ _____

**COUNTY OF EL DORADO
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(CARSON CREEK HERITAGE VILLAGE 11)
SPECIAL TAX BONDS SERIES 2025**

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the County of El Dorado (the “District”) in connection with the issuance of the bonds captioned above (the “Bonds”). The Bonds are being issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being sections 53311 *et seq.* of the California Government Code (the “Act”), a resolution of the County, and a Fiscal Agent Agreement, dated as of August 1, 2025, by and between the County and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent Agreement”). The County hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

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

“*Annual Report*” means any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means each April 30 after the end of the County’s fiscal year (presently June 30).

“*Dissemination Agent*” means NBS Government Finance Group, or any successor Dissemination Agent designated in writing by the County, which has filed with the County a written acceptance of such designation.

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

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“*Official Statement*” means the final official statement dated _____, 2025, executed by the County in connection with the issuance of the Bonds.

“Participating Underwriter” means Stifel Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 30, 2026, with the report for the 2024-25 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the County) has not received a copy of the Annual Report, the Dissemination Agent shall contact the County to determine if the County is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the County’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The County shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the County hereunder.

(b) If the County does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide to the MSRB, in an electronic format as prescribed by the MSRB, a notice to such effect.

(c) The Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the County, file a report with the County and the Participating Underwriter certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The County’s Annual Report shall contain or incorporate by reference the following documents and information:

(a) The following additional items, indicating information as of the previous September 30th, with respect to the Bonds:

(1) Balance in the Reserve Fund and Reserve Requirement for the Bonds.

(2) Table indicating Special Tax levy, amount collected, delinquent amount and percent delinquent for the most recent fiscal year.

(3) Assessed valuation of property shown on County Assessor's tax rolls in the District for the current (as of the date of the report) fiscal year.

(4) Table providing the number of parcels, amount of Special Tax levy, percentage of Special Tax levy, the amount of Maximum Annual Special Tax levy, and assessed valuation, all as of the current fiscal year, broken out to show parcels with improvement value on the assessment roll, parcels without improvement value on the assessment roll, Developed Property, Final Map Property and the totals.

(5) Status of foreclosure proceedings and summary of results of foreclosure sales, if available.

(6) Identity of any delinquent taxpayer representing more than 5% of levy amount of delinquent taxpayer's share of current fiscal year Special Tax levy and value-to-lien ratios of applicable properties (using assessed values unless more accurate information is available).

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

(c) If not submitted as part of the annual financial information, then when and if available, audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. This submission should be made with the following caveat:

THE COUNTY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE COUNTY (OTHER THAN THE PROCEEDS OF THE SPECIAL TAXES LEVIED FOR THE DISTRICT AND SECURING THE BONDS) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE COUNTY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE COUNTY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE COUNTY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The County shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The County shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

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

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall, or shall cause the Dissemination Agent (if not the County) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The County acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The County shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the County obtains knowledge of the

occurrence of any of these Listed Events, the County will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the County will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States 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 County, 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 County.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The County’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be NBS Government Finance Group.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

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

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of the Fiscal Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

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

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the County to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the County, the Fiscal

Agent, the Bond owners or any other party. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2025

COUNTY OF EL DORADO for and on
behalf of the COUNTY OF EL DORADO
COMMUNITY FACILITIES DISTRICT NO.
2024-1 (CARSON CREEK HERITAGE
VILLAGE 11)

By: _____
Authorized Officer

AGREED AND ACCEPTED:
NBS Government Finance Group,
as Dissemination Agent

By: _____
Authorized Officer

**CONTINUING DISCLOSURE CERTIFICATE
(Developer)**

\$ _____
**COUNTY OF EL DORADO
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(CARSON CREEK HERITAGE VILLAGE 11)
SPECIAL TAX BONDS SERIES 2025**

THIS CONTINUING DISCLOSURE CERTIFICATE (Developer) (the “Disclosure Certificate”) dated as of _____, 2025, is executed and delivered by Lennar Homes of California, LLC, a California limited liability company (the “Developer”) in connection with the issuance by the County of the El Dorado (the “County”) of the above-referenced bonds (the “Bonds”). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement, dated as of August 1, 2025 (the “Fiscal Agent Agreement”), by and between the County and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”). The Developer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Developer for the benefit of the holders and beneficial owners of the Bonds.

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

“Affiliate” means with respect to the Developer, means any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the District and investment decision regarding the Bonds (i.e., information regarding such Person’s assets or funds that would materially affect the Developer’s ability to develop the Property as described in the Official Statement or to pay its Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency). For purposes hereof, the term “control” (including the terms “controlling,” “controlled by” or “under common control with”) means the present possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. The Land Bank is not an Affiliate of the Developer.

“Assumption Agreement” means an undertaking of a Major Owner, or an Affiliate thereof, for the benefit of the holders and beneficial owners of the Bonds containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner’s development and financing plans with respect to the District), whereby such Major Owner or Affiliate agrees to provide Periodic Reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in the District owned by such Major Owner and its Affiliates and, at the option of the Developer or such Major Owner, agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 11 hereof.

“Developer” means Lennar Homes of California, LLC, a California limited liability company, its successors and assigns.

“Dissemination Agent” means the entity acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Developer and which has filed with the Developer, the County, and the Participating Underwriter a written acceptance of such designation, and which is experienced in providing dissemination agent services such as those required under this Disclosure Certificate. The initial Dissemination Agent is the Developer.

“District” means El Dorado County Community Facilities District No. 2024-1 (Carson Creek Heritage Village 11).

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

“Land Bank” means R-Hearthstone Lot Option Pool 05, L.P., a Delaware limited partnership, as the land banking entity under the Option Agreement.

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

“Major Owner” means, as of any Report Date, an owner of land in the District that is responsible in the aggregate for 20% or more of the Special Taxes anticipated to be levied at any time during the then-current fiscal year.

“Official Statement” means the final official statement executed by the County in connection with the issuance of the Bonds.

“Option Agreement” means that certain Option Agreement, dated January 23, 2023, between the Land Bank and the Developer.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds.

“Periodic Report” means any Periodic Report provided by the Developer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

“Property” means the real property in the District that is owned by (i) the Developer, (ii) any Affiliate of the Developer, and (iii) the Land Bank (during the term of the Option Agreement).

“Report Date” means April 1 and October 1 of any fiscal year. If, in any year, the Report Date falls on a Saturday, Sunday, or a holiday, such Report Date shall be extended to the next following day that is not a Saturday, Sunday, or holiday.

“Special Taxes” means the special taxes levied on taxable property in the District.

Section 3. Provision of Periodic Reports.

(a)

(a) So long as Developer's obligations under this Disclosure Certificate have not been terminated pursuant to Section 6 herein, the Developer shall, or, upon written direction of the Developer the Dissemination Agent shall, not later than the Report Date, commencing April 1, 2026, file or cause to be filed with EMMA a Periodic Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Participating Underwriter and the County. Not later than 15 calendar days prior to the Report Date, the Developer shall provide the Periodic Report to the Dissemination Agent (if different from the Developer). The Developer shall provide a written certification with (or included as a part of) each Periodic Report furnished to the Dissemination Agent (if different from the Developer), the Participating Underwriter and the County to the effect that such Periodic Report constitutes the Periodic Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Participating Underwriter and the County may conclusively rely upon such certification of the Developer and shall have no duty or obligation to review the Periodic Report. The Periodic Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent does not receive a Periodic Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Developer that the Periodic Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Developer to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 6 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If the Developer does not provide, or cause the Dissemination Agent to provide, a Periodic Report to EMMA by the Report Date as required in subsection (a) above, the Dissemination Agent shall send a notice to EMMA in the format prescribed by the MSRB, with a copy to County and the Participating Underwriter.

(c) With respect to the Periodic Report, the Dissemination Agent shall, to the extent the Periodic Report has been furnished to it, file the Periodic Report with EMMA and file a report with the Developer (if the Dissemination Agent is other than the Developer), the County and the Participating Underwriter certifying that the Periodic Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to and filed with EMMA.

Section 4. Content of Periodic Reports. The Developer's Periodic Report shall contain or incorporate by reference the information set forth in Exhibit A relating to the Developer, any or all of which may be included by specific reference to other documents, including official statements of debt issues of the Developer or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from EMMA. The Developer shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit A, the Developer's Periodic Report shall include such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

(a) The Developer shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself or the Property, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Developer and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Developer that is reasonably likely to have a significant impact on the Developer's ability to pay Special Taxes on the Property or to sell or develop the Property;

(ii) failure of the Developer to pay any taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property on or prior to the delinquency date to the extent such failure is not promptly cured by the Developer upon discovery thereof;

(iii) filing of a lawsuit of which the Developer is aware against the Developer or an Affiliate seeking damages, which is reasonably likely to have a significant impact on the Developer's ability to pay Special Taxes on the Property or to sell or develop the Property;

(iv) material damage to or destruction of any of the improvements on the Property; and

(v) any payment default or other material default by the Developer on the Option Agreement or any loan with respect to the construction of improvements on the Property.

(b) Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Developer determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Developer shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with EMMA, with a copy to the County and the Participating Underwriter.

Section 6. Duration of Reporting Obligation.

(a) All of the Developer's obligations hereunder shall commence on the date hereof and terminate (except as provided in Section 11) on the earliest to occur of the following:

(i) upon the legal defeasance, prior redemption or payment in full of all the Bonds, or

(ii) at such time as Property owned by the Developer and the Land Bank (during the term of the Option Agreement) is no longer responsible for payment of 20% or more of the Special Taxes levied in the District, or

(iii) the date on which the Developer prepays in full all of the Special Taxes attributable to the Property.

The Developer shall give notice of the termination of its obligations under this Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) The Developer's obligations hereunder shall terminate with respect to any portion of the Property on the date such portion of the Property is sold to a Person that is not a Major Owner. If a portion of the Property is conveyed to a person or entity that, upon such conveyance, will be a Major Owner, the Developer shall remain obligated hereunder with respect to such Property unless the obligations have been assumed by the Major Owner pursuant to an Assumption Agreement. If the obligations of the Developer hereunder with respect to the property conveyed to a Major Owner are assumed by such Major Owner pursuant to an Assumption Agreement, then the Developer's obligations hereunder with respect to the property conveyed to such Major Owner will be terminated. In order to effect such an assumption, such Major Owner shall enter into an Assumption Agreement in form and substance equivalent to this Disclosure Certificate or as otherwise satisfactory to the County and the Participating Underwriter. The Developer's obligations under this Disclosure Certificate with respect to a Major Owner that has not executed an Assumption Agreement shall terminate upon the earlier to occur of (i) the date on which the Developer's obligations with respect to such Major Owner are assumed under an Assumption Agreement entered into pursuant to this Section 6(b), or (ii) the date on which the Major Owner is no longer considered a Major Owner. However, a Major Owner shall not be required to enter into an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Disclosure Certificate with respect to the Bonds, and under which the property conveyed to such Major Owner will become subject to future Periodic Reports.

Section 7. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist the Developer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Developer. The Dissemination Agent may resign by providing thirty (30) days' written notice to the County, the Participating Underwriter and the Developer. The acquisition of any portion of the Property by the Developer pursuant to the Option Agreement shall not require any assumption by the Developer.

Section 8. No Amendment. The Developer may not amend this Disclosure Certificate.

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

Section 10. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Certificate, the Participating Underwriter and any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Developer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole and exclusive

remedy under this Disclosure Certificate in the event of any failure of the Developer to comply with this Disclosure Certificate shall be an action to compel performance. Neither the Developer nor the Dissemination Agent shall have any liability to any holder or beneficial owner of the Bonds or any other party for monetary damages or financial liability of any kind whatsoever arising from or relating to this Disclosure Certificate.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Developer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents (each, an "Indemnified Party"), harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding loss, liabilities, costs and expenses due to an Indemnified Party's negligence or willful misconduct or failure to perform its duties hereunder. The Dissemination Agent shall be paid compensation for its services provided hereunder in accordance with its schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the County, the Developer, the Fiscal Agent, the Bond owners, or any other party. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

To the Developer:	Lennar Homes of California, LLC 1025 Creekside Ridge Drive, Suite 240 Roseville, CA 95678 Email: Larry.Gualco@Lennar.com Email: Jack.Sevey@Lennar.com
To the County:	County of El Dorado 330 Fair Lane Placerville, CA 95667 Attn: CFD Administrator
To the Participating Underwriter:	Stifel, Nicolaus & Company, Incorporated 1 Montgomery Street, Suite 3700 San Francisco, CA 94104 Attn: Eileen Gallagher

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Developer (its successors and assigns), the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. All obligations of the Developer hereunder shall be assumed by any legal successor to the obligations of the Developer as a result of a sale, merger, consolidation or other reorganization.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Developer has executed this Disclosure Certificate as of the date first above written.

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

By: _____
Larry Gualco, Vice President

EXHIBIT A
PERIODIC REPORT

Relating to:

\$ _____
COUNTY OF EL DORADO
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(CARSON CREEK HERITAGE VILLAGE 11)
SPECIAL TAX BONDS SERIES 2025

This Periodic Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Developer) (the "Disclosure Certificate") dated _____, 2025, executed by Lennar Homes of California, LLC, a California limited liability company (the "Developer") in connection with the issuance of special tax bonds by the County of El Dorado (the "County") with respect to the above-referenced bonds.

Capitalized terms used in this Periodic Report but not otherwise defined have the meanings given to them in the Disclosure Certificate.

I. Property Ownership and Development

The information in this section is provided as of _____ (this date must be not more than 60 days before the date of this Periodic Report).

A. Property currently owned by the Developer or its Affiliates (if any) and the Land Bank in the District (the "Property"):

Development name: _____

Number of lots (acreage if not subdivided): _____

B. Status of land development or construction activities:

C. Number of building permits pulled during the reporting period and the aggregate number of building permits for the Property developed by the Developer or an Affiliate (if any), and any significant amendments to land use or development entitlements:

D. Aggregate property sold, optioned or leased by the Developer or an Affiliate (if any) to end users or merchant builders:

Since the Reported Date of Information in the Official Statement Since the Last Periodic Report

Lots _____ Lots _____

E. Any updates to ownership of the Property by the Developer or an Affiliate (if any), as stated in the Official Statement, and any other changes in ownership, whether acquisition of land in the District by the Developer or an Affiliate (if any), or sales of land in the District to other property owners, distinguishing between (i) end users (e.g., single family homeowners), (ii) developers and (iii) merchant builders.

II. Legal and Financial Status of Developer

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any change in the legal structure of the Developer or the financial condition and financing plan of the Developer that would materially and adversely interfere with its ability to complete its development plan described in the Official Statement.

III. Change in Development or Financing Plans

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any development plans or financing plans relating to the Property *that are materially different from* the proposed development and financing plan described in the Official Statement.

IV. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any other significant changes in the information relating to the Developer or the Property contained in the Official Statement under the heading "THE DISTRICT – Development in the District" that would materially and adversely interfere with the Developer's ability to develop and sell the Property as described in the Official Statement.

V. Other Material Information

In addition to any of the information expressly required above, provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Certification

The undersigned Developer hereby certifies that this Periodic Report constitutes the Periodic Report required to be furnished by the Developer under the Disclosure Certificate.

ANY STATEMENTS REGARDING THE DEVELOPER, THE DEVELOPMENT OF THE PROPERTY, THE DEVELOPER'S FINANCING PLAN OR FINANCIAL CONDITION, OR THE BONDS, OTHER THAN STATEMENTS MADE BY THE DEVELOPER IN AN OFFICIAL RELEASE, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY THE DEVELOPER. THE DEVELOPER IS NOT RESPONSIBLE FOR THE ACCURACY, COMPLETENESS OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

THE DEVELOPER HAS NO OBLIGATION TO UPDATE THIS PERIODIC REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE CERTIFICATE.

Dated: _____

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

By: _____

Name: _____

Title: _____

APPENDIX F

THE BOOK ENTRY SYSTEM

Book-Entry System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). 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. DTC 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 securities that its participants (the "**Participants**") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. "**Direct Participants**" include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

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, but Beneficial Owners are 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 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 Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no 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 securities are credited, which may or may not be the Beneficial Owners. The 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.

Redemption notices shall be sent to Cede & Co. 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. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to an issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, mandatory redemption and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payment dates in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the date payable. 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 Fiscal Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Fiscal Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be responsibility of Direct and Indirect Participants.

The County cannot and does not give any assurances that DTC, DTC Participants or others will distribute payments of principal, interest or premium with respect to the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The County is not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto.

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

Discontinuance of Book-Entry System

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Fiscal Agent and discharging its responsibilities with respect thereto under applicable law or the County may terminate participation in the system of book-entry transfers through DTC or any other securities depository at any time. In the event that the book-entry system is discontinued, the County will execute, and the Fiscal Agent will authenticate and make available for delivery, replacement Bonds in the form of registered bonds. In addition, the principal of and redemption premium, if any, on the Bonds will be payable as set forth in the Fiscal Agent Agreement and summarized above under the caption "Description of the Bonds." Bonds will be transferable and exchangeable on the terms and conditions provided in the Fiscal Agent Agreement. See "— Transfer or Exchange of Bonds" in the main body of this Official Statement.

APPENDIX G

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT