

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 17, 2024

NEW ISSUE - BOOK-ENTRY-ONLY FORM

NOT RATED

In the opinion of Greenberg Traurig, LLP, Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is exempt from income taxation under the laws of the State of Arizona. Further, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the federal alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. See "TAX EXEMPTION" herein for a description of certain other federal tax consequences of ownership of the Bonds.

The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

\$1,939,000*

**SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2
(APACHE JUNCTION, ARIZONA)
ASSESSMENT AREA NO. 1
SPECIAL ASSESSMENT BONDS, SERIES 2024
(BANK QUALIFIED)**

DATED: Date of Initial Delivery**DUE: July 1, as shown on inside front cover page**

The Superstition Vistas Community Facilities District No. 2 (Apache Junction, Arizona) Assessment Area No. 1 Special Assessment Bonds, Series 2024 (the "Bonds"), will be issued in the form of fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers under the book-entry-only system maintained by DTC in minimum denominations of \$5,000 of principal amount due on a specified maturity date or \$1,000 integral multiples in excess thereof. Interest on the Bonds will be paid semiannually on January 1 and July 1 of each year, commencing January 1, 2025*. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants who will remit such payments to the beneficial owners of the Bonds. See APPENDIX E - "BOOK-ENTRY-ONLY SYSTEM."

See Inside Front Cover Page for Maturity Schedule

The Bonds are authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and will be issued pursuant to a resolution of the Board of Directors of Superstition Vistas Community Facilities District No. 2 (the "District"), a community facilities district formed within the boundaries of the City of Apache Junction, Arizona (the "City"). **The Bonds will be payable solely from and secured by a special, separate fund maintained by the District which fund will contain installments due with respect to certain special assessments levied and assessed by the District on certain single family housing lots within the District in accordance with a method of apportionment based on the benefit received by such lots from public infrastructure acquired with the proceeds of the sale of the Bonds and agreed to by the owners of such lots, each assessment constitutes a first lien on the lot against which it is assessed and levied, subject only to general property taxes and prior special assessments. (THERE ARE SUCH GENERAL PROPERTY TAXES (BUT NOT PRIOR SPECIAL ASSESSMENTS) IN THE CASE OF THE BONDS. SEE "OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES" HEREIN.)** The lien for such assessments will not be extinguished as a result of enforcement of the lien for general property taxes. Any such lot will be offered for sale for nonpayment of the special assessment levied and assessed by the District on such lot and, if sold, the proceeds thereof deposited in such special fund. The rights and obligations of the District relating to collection and payment of assessments and the enforcement of remedies against delinquent assessments may be subject to bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights and may be subject to judicial discretion in accordance with general principles of equity. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" and "RISK FACTORS" herein.

THE BONDS WILL BE SUBJECT TO SPECIAL OPTIONAL, OPTIONAL AND MANDATORY REDEMPTION BY THE DISTRICT PRIOR TO MATURITY AS DESCRIBED HEREIN UNDER THE HEADING "THE BONDS - REDEMPTION PROVISIONS." PLEASE NOTE THAT, PURSUANT TO SUCH SPECIAL OPTIONAL REDEMPTION UNDER CERTAIN CIRCUMSTANCES, THE BONDS WILL BE SUBJECT TO REDEMPTION IN WHOLE OR IN PART ON ANY INTEREST PAYMENT DATE.

Proceeds of the sale of the Bonds will be used (i) to pay all or a portion of the costs of acquisition of certain public infrastructure, (ii) to pay costs of issuance relating to the Bonds, (iii) to provide for capitalized interest on the Bonds through July 1, 2025*, and (iv) to fund a debt service reserve fund for the Bonds. See "SOURCES AND APPLICATIONS OF FUNDS" and "THE PUBLIC INFRASTRUCTURE" herein.

PLEASE BE ADVISED THAT AN INVESTMENT IN THE BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK AND IS SPECULATIVE IN NATURE AS DESCRIBED UNDER "RISK FACTORS" AND UNDER OTHER SECTIONS IN THIS OFFICIAL STATEMENT. THIS ISSUE IS NON-RATED AND SHOULD NOT BE DEEMED TO BE INVESTMENT GRADE. THE "RISK FACTORS" SECTION OF THIS OFFICIAL STATEMENT SHOULD BE REVIEWED PRIOR TO MAKING ANY INVESTMENT DECISION IN THE BONDS.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE DISTRICT, THE CITY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL NOT BE GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE ABOVE-DESCRIBED SPECIAL ASSESSMENTS.

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

The Bonds are offered when, as and if issued by the District and received by the underwriter identified below (the "Underwriter"), subject to the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. Certain legal matters will be passed upon for the District by its special counsel, Greenberg Traurig, LLP, Phoenix, Arizona, for the Underwriter by its counsel, Squire Patton Boggs (US) LLP, Phoenix, Arizona, and for Brookfield ASLD 8500 LLC, by its counsel, Ballard Spahr LLP, Phoenix, Arizona. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about May 22, 2024*.

STIFEL

* Preliminary, subject to change.

\$1,939,000*
SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2
(APACHE JUNCTION, ARIZONA)
ASSESSMENT AREA NO. 1
SPECIAL ASSESSMENT BONDS, SERIES 2024
(BANK QUALIFIED)

MATURITY SCHEDULE*

Maturity Date (July 1)	Principal	Interest Rate	Yield	CUSIP No.
2026	\$39,000			
2027	41,000			
2028	44,000			
2029	47,000			
2030	50,000			
2031	53,000			
2032	57,000			
2033	60,000			
2034	64,000			
2035	68,000			
2036	73,000			
2037	77,000			
2038	82,000			
2039	88,000			
2040	93,000			
2041	100,000			
2042	106,000			
2043	113,000			
2044	120,000			
2045	128,000			
2046	136,000			
2047	145,000			
2048	155,000			

\$_____,000 Term Bonds @ _____% Due July 1, 20__ - Price _____%
\$_____,000 Term Bonds @ _____% Due July 1, 20__ - Price _____%

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* Preliminary, subject to change.

SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2

District Board

Chip Wilson, Chairman
Robert Schroeder, Vice Chairman
Darryl Cross, Board Member
Peter Heck, Board Member
Bambi Johnson, Board Member
Tess Nesser, Board Member
Bryan Soller, Board Member

District Staff

Bryant Powell, District Manager
Matt Busby, Assistant District Manager
Angelie Hawley, District Treasurer
Jennifer Pena, District Clerk
Richard Joel Stern, District Counsel
Greenberg Traurig, LLP, Special District Counsel

District Financial Advisor

Piper Sandler & Co.
Phoenix, Arizona

Bond Counsel

Greenberg Traurig, LLP
Phoenix, Arizona

Appraiser

Schnepf Ellsworth Appraisal Group LLC
Mesa, Arizona

Bond Registrar and Paying Agent

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

THIS OFFICIAL STATEMENT, WHICH INCLUDES THE COVER PAGE, THE INSIDE FRONT COVER PAGE AND THE APPENDICES HERETO, SHOULD BE CONSIDERED IN ITS ENTIRETY, AND NO ONE SUBJECT SHOULD BE CONSIDERED LESS IMPORTANT THAN ANOTHER BY REASON OF LOCATION IN THE TEXT. BRIEF DESCRIPTIONS OF THE BONDS, THE BOND RESOLUTION, THE SECURITY FOR THE BONDS, THE DISTRICT, THE DEVELOPMENT OF LAND WITHIN THE DISTRICT AND OTHER INFORMATION ARE INCLUDED IN THIS OFFICIAL STATEMENT. SUCH DESCRIPTIONS DO NOT PURPORT TO BE COMPREHENSIVE OR DEFINITIVE. ALL REFERENCES HEREIN TO THE BONDS, THE BOND RESOLUTION, THE APPRAISAL AND OTHER DOCUMENTS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS, COPIES OF WHICH MAY BE OBTAINED FROM STIFEL, NICOLAUS & COMPANY INCORPORATED (THE "UNDERWRITER"), AT 2801 E. CAMELBACK ROAD, STE. 300, PHOENIX, AZ 85016.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT, THE UNDERWRITER OR PIPER SANDLER & CO. (THE "FINANCIAL ADVISOR"), TO GIVE INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT, THE UNDERWRITER OR THE FINANCIAL ADVISOR.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. 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 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE PRESENTATION OF INFORMATION, INCLUDING TABLES OF RECEIPTS FROM TAXES AND OTHER SOURCES, SHOWS RECENT HISTORICAL INFORMATION AND IS NOT INTENDED TO INDICATE FUTURE OR CONTINUING TRENDS IN THE FINANCIAL POSITION OR OTHER AFFAIRS OF THE DISTRICT. ALL INFORMATION, ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BASED ON PAST EXPERIENCE AND ON THE LATEST INFORMATION AVAILABLE AND ARE BELIEVED TO BE RELIABLE, BUT NO REPRESENTATIONS ARE MADE THAT SUCH INFORMATION, ESTIMATES AND ASSUMPTIONS ARE CORRECT, WILL CONTINUE, WILL BE REALIZED OR WILL BE REPEATED IN THE FUTURE. TO THE EXTENT THAT ANY STATEMENTS MADE IN THIS OFFICIAL STATEMENT INVOLVE MATTERS OF OPINION OR ESTIMATES, WHETHER OR NOT EXPRESSLY STATED TO BE SUCH, THEY ARE MADE AS SUCH AND NOT AS REPRESENTATIONS OF FACT OR CERTAINTY, AND NO REPRESENTATION IS MADE THAT ANY OF THESE STATEMENTS HAVE BEEN OR WILL BE REALIZED. ALL FORECASTS, PROJECTIONS, OPINIONS, ASSUMPTIONS OR ESTIMATES ARE "FORWARD LOOKING STATEMENTS" THAT MUST BE READ WITH AN ABUNDANCE OF CAUTION AND THAT MAY NOT BE REALIZED OR MAY NOT OCCUR IN THE FUTURE. INFORMATION OTHER THAN THAT OBTAINED FROM OFFICIAL RECORDS OF THE DISTRICT HAS BEEN IDENTIFIED BY SOURCE AND HAS NOT BEEN INDEPENDENTLY CONFIRMED OR VERIFIED BY THE DISTRICT, THE FINANCIAL ADVISOR OR THE UNDERWRITER AND ITS ACCURACY CANNOT BE GUARANTEED. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE PURSUANT HERETO WILL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR ANY OF THE OTHER PARTIES OR MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF.

THE DISTRICT WILL UNDERTAKE TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THIS OFFICIAL STATEMENT UNDER "CONTINUING DISCLOSURE" AND IN APPENDIX D - "FORM OF CONTINUING DISCLOSURE UNDERTAKING" PURSUANT TO RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

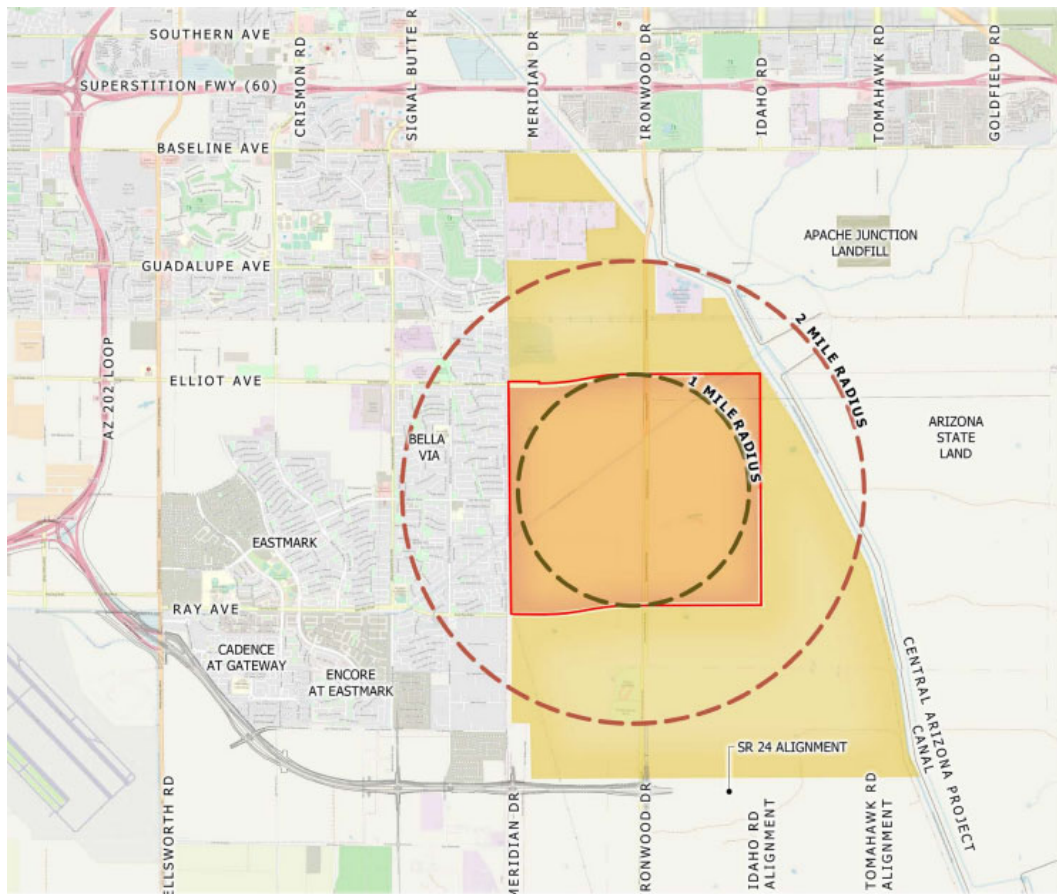
A WIDE VARIETY OF INFORMATION, INCLUDING FINANCIAL INFORMATION, CONCERNING THE DISTRICT IS AVAILABLE FROM PUBLICATIONS AND WEBSITES OF THE DISTRICT, THE CITY OF APACHE JUNCTION, ARIZONA, AND OTHERS. ANY SUCH INFORMATION THAT IS INCONSISTENT WITH THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT SHOULD BE DISREGARDED. REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR PURPOSES OF RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

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

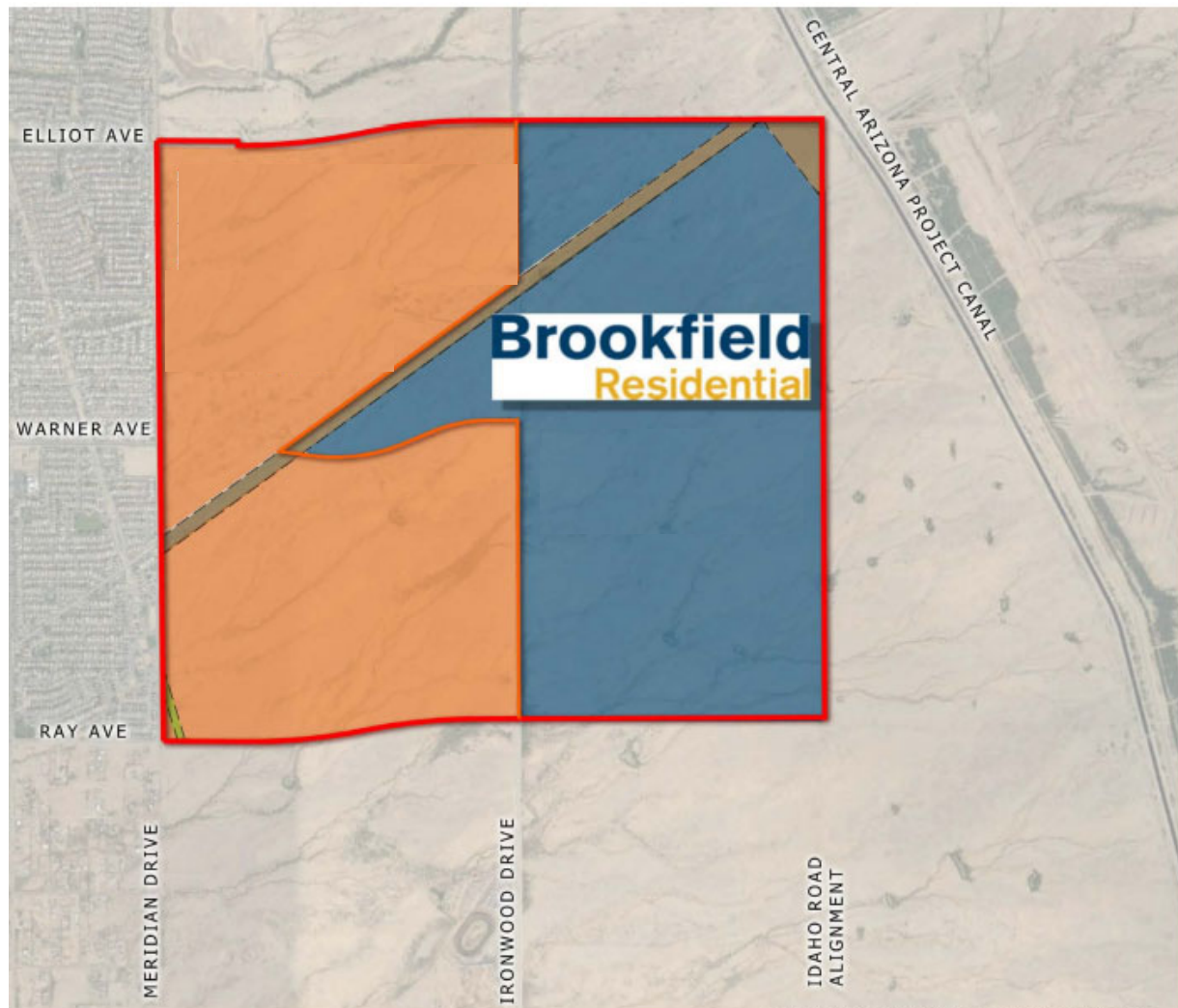
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**MAP SHOWING LOCATION OF SUPERSTITION VISTAS COMMUNITY FACILITIES
DISTRICT NO. 1 AND SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2 WITHIN
METROPOLITAN PHOENIX AREA**



**MAP SHOWING LOCATION OF SUPERSTITION VISTAS COMMUNITY FACILITIES
DISTRICT NO. 1 AND SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2
IN THE CONTEXT OF THE SURROUNDING AREA**



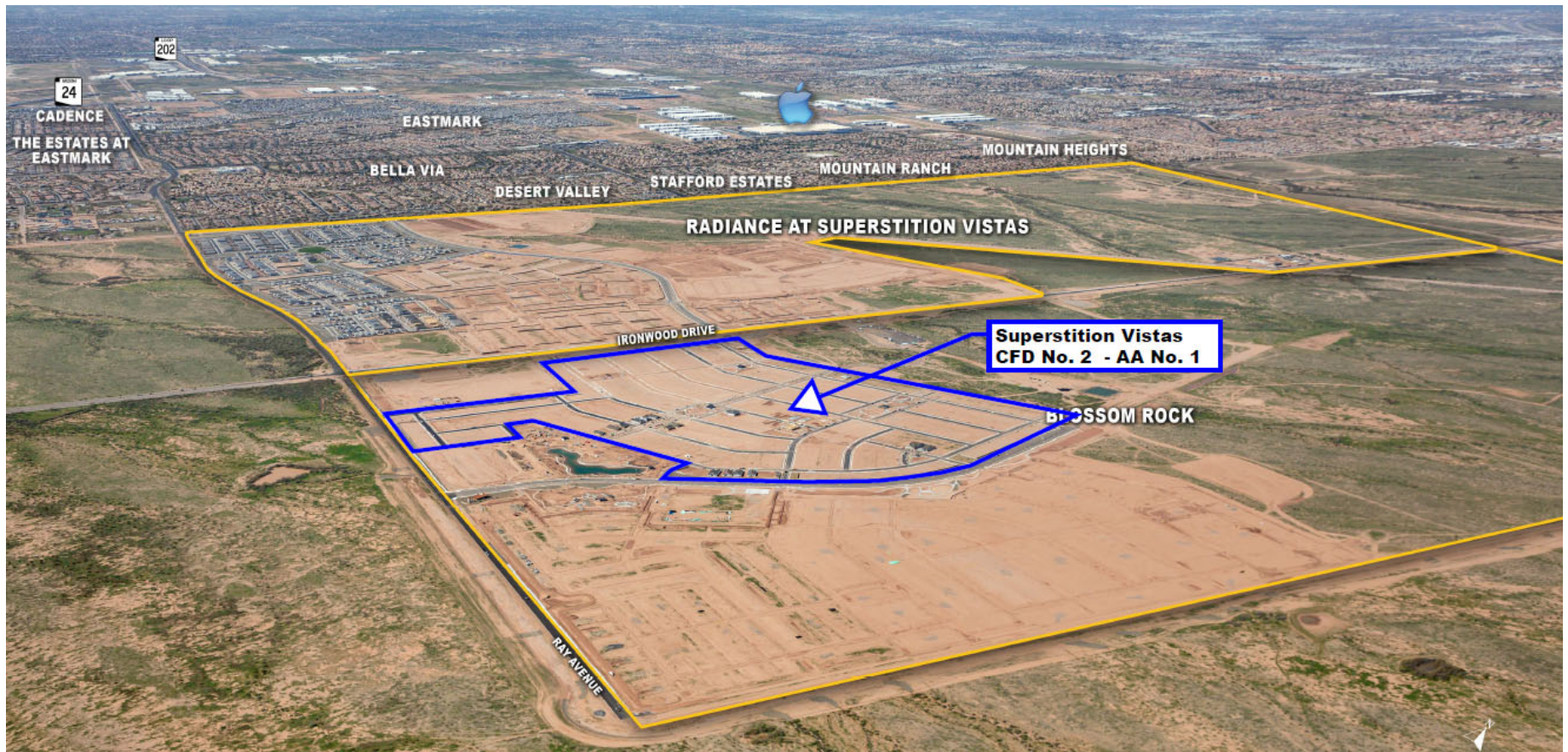
GRAPHIC SHOWS CONCEPTUAL INFORMATION AND IS SUBJECT TO CHANGE. ACTUAL LOCATIONS AND CONFIGURATIONS TO BE DEFINED AT THE TIME OF SUBDIVISION PLAT OR SITE PLANS SUBMITTAL.



Superstition Vistas Community Facilities District No. 2

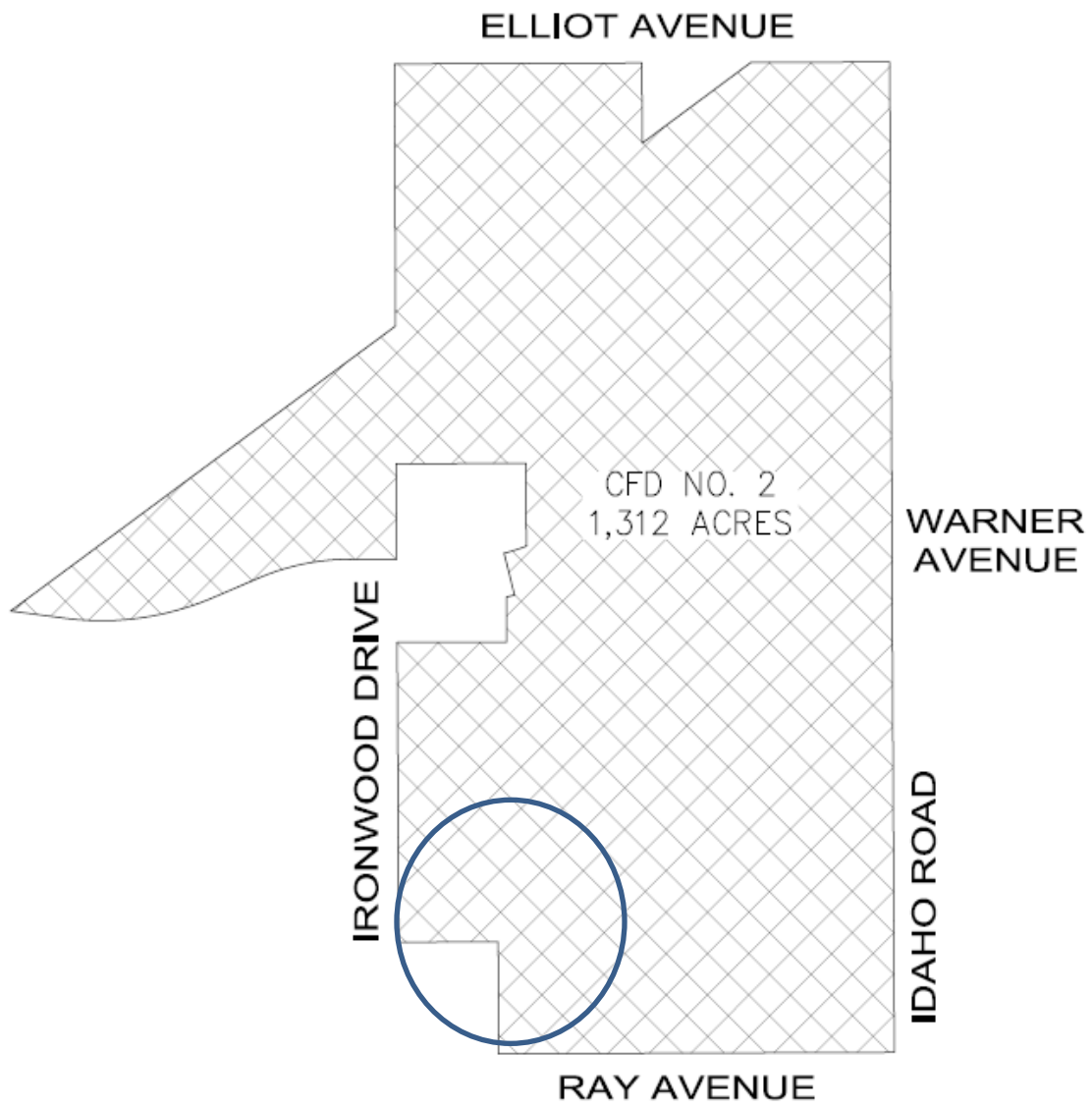


Superstition Vistas Community Facilities District No. 1



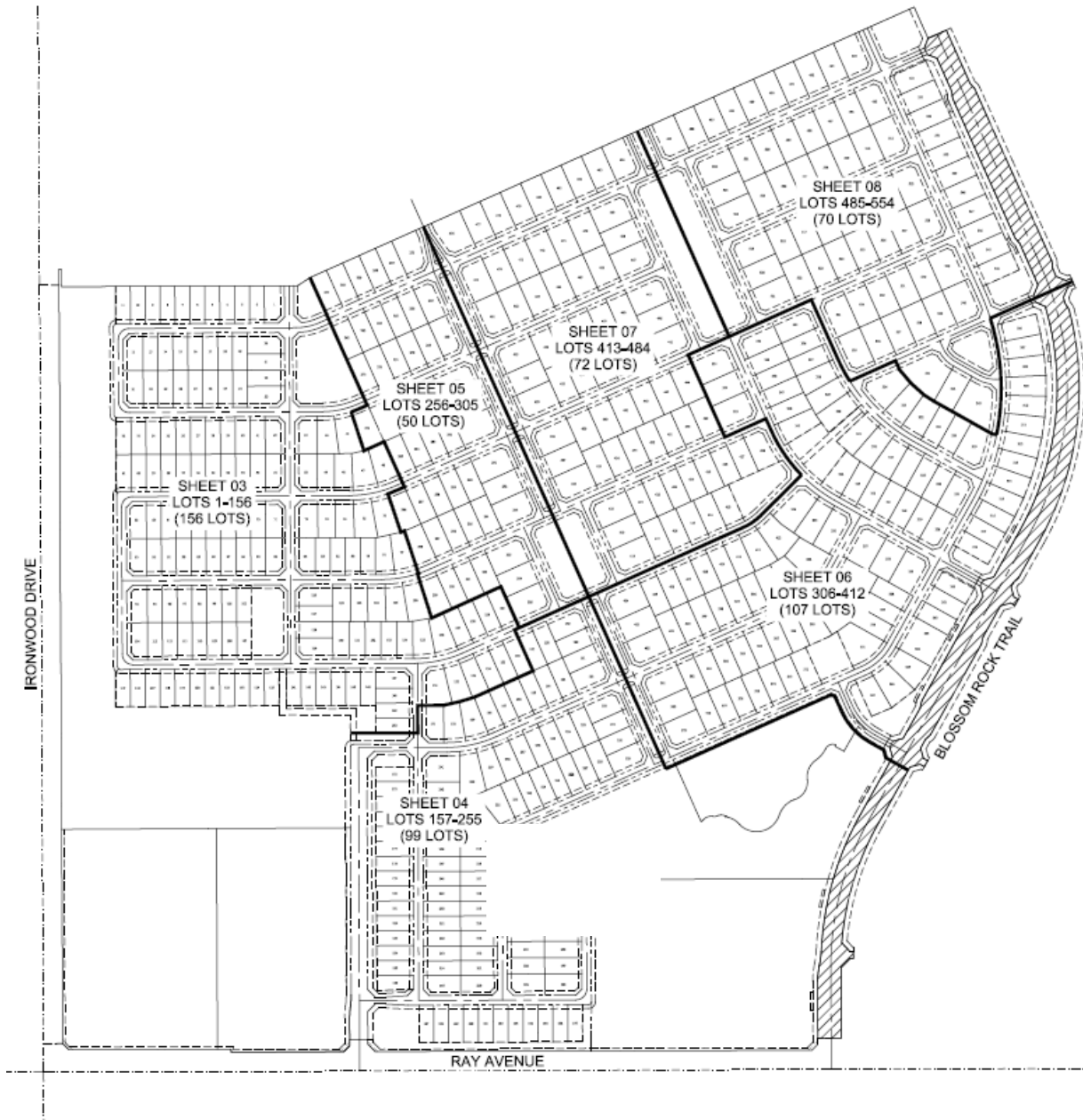
MAP SHOWING ASSESSMENT AREA NO. 1 IN THE CONTEXT OF THE DISTRICT

The District



MAP SHOWING LOCATION OF PUBLIC INFRASTRUCTURE IN ASSESSMENT AREA NO. 1

Assessment Area No. 1



LEGEND:

	ASSESSED IMPROVEMENTS (BLOSSOM ROCK TRAIL)
	ASSESSMENT AREA EXTENTS
	PARCEL LINE
	LOT LINE
	LOT NUMBER

100

\$1,939,000*
SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2
(APACHE JUNCTION, ARIZONA)
ASSESSMENT AREA NO. 1
SPECIAL ASSESSMENT BONDS, SERIES 2024
(BANK QUALIFIED)

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto (this “Official Statement”), provides certain information concerning the issuance of Superstition Vistas Community Facilities District No. 2 (Apache Junction, Arizona) Assessment Area No. 1 Special Assessment Bonds, Series 2024 (the “Bonds”), in the aggregate principal amount of \$1,939,000*. Copies of any of the documents referenced herein are available upon request to Stifel, Nicolaus & Company Incorporated (the “Underwriter”) at: 2801 E. Camelback Road, Suite 300, Phoenix, AZ 85016.

INTRODUCTION

Pursuant to the Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the “Act”), and in response to a petition by D. R. Horton, Inc., a corporation organized and existing pursuant to the laws of the State of Delaware (“D.R. Horton”), the Mayor and Council (the “City Council”) of the City of Apache Junction, Arizona (the “City”), adopted a resolution on October 5, 2021, which formed Superstition Vistas Community Facilities District No. 2 (the “District”). See APPENDIX A hereto for certain information about the City.

The District consists of approximately 1,312 acres of a larger 2,783-acre project within the City of Apache Junction, Arizona (the “City”), where D.R. Horton was the successful bidder at the public auction conducted by Arizona State Land Department (“ASLD”) in November 2020 and will purchase the real property from ASLD over time pursuant to the terms of the Certificate of Purchase 53-120190 executed November 12, 2020, as thereafter amended. Upon the petition of D.R. Horton as the then-owner of all land within the boundaries of the District, the Mayor and Council of the City adopted a resolution on October 5, 2021, which formed the District. Pursuant to the Purchase Agreement and Partial Assignment and Delegation of Rights Under Participation Contract, dated March 14, 2022 (the “Brookfield Purchase Agreement”), by and between D.R. Horton and Brookfield Homes Holdings LLC, a California limited liability company (“Brookfield Homes”), D.R. Horton agreed to sell and Brookfield Homes agreed to purchase the real property within the boundaries of the District. Brookfield Homes subsequently assigned to Brookfield ASLD 8500 LLC, a Delaware limited liability company (the “Developer”), all of Brookfield Homes’ right, title and interest to acquire and develop the real property within the boundaries of the District pursuant to the Brookfield Purchase Agreement. The Developer is now developing the mixed use, master planned community known as Blossom Rock consisting of approximately 1,312 acres of a larger 1,408 acre project (the “Project” or “Blossom Rock”). The Project is located east of Ironwood Drive, west of South Dutchman Drive, south of Radiance Avenue and north of Ray Avenue. Construction on the Project commenced in November 2021, and the Developer expects the first home closings will occur in May 2024. The District was created to assist with financing the acquisition of public infrastructure and public infrastructure purposes within the District. Single family residential units represent approximately 1,170 acres within the Project. See the maps at pages (iii), (v), (vi), (viii) and (x) with respect to the location of the District.

The District is a special purpose, tax levying public improvement district for purposes of the Constitution of Arizona and a municipal corporation for certain purposes of the laws of the State of Arizona (the “State” or “Arizona”). Except as otherwise provided in the Act, the District is considered to be a municipal corporation and political subdivision of the State, separate and apart from the City. The City Council serves, ex officio, as the Board of Directors of the District (the “Board”) and the City Manager of the City currently serves as the District Manager.

Among other things, the District is intended, pursuant to a development agreement among the City, the Developer, Brookfield Homes and the District, to serve as a financing mechanism for certain public infrastructure necessary for development of the land within the boundaries of the District. See “LAND DEVELOPMENT.”

* Preliminary, subject to change

Assessment Area

On March 19, 2024, the Board adopted a resolution approving a feasibility report relating to the financing of all or a portion of the costs of certain public infrastructure (collectively, the “Public Infrastructure”) necessary for development of certain land within the boundaries of the District that is to be acquired by the District and thereafter transferred to the City or other governmental entity, and declaring the District’s intent to acquire the Public Infrastructure and to pay the costs thereof. See “THE PUBLIC INFRASTRUCTURE.” On March 19, 2024, the Board adopted a resolution levying special assessments (the “Special Assessments” and, individually, as the Special Assessments relate to a particular lot, a “Special Assessment”) on certain single-family housing lots within the District (collectively, the “Assessed Lots” and, individually, each an “Assessed Lot”) based on the benefit to be received by each Assessed Lot. **The Assessed Lots make up only a small portion of the much larger District and together make up “Assessment Area No. 1.”** See “LAND DEVELOPMENT - Assessed Lots.”

The real property comprising Assessment Area No. 1 consists of 554 lots and is approximately 109 acres. The Assessed Lots have been finally established by the approval of final plats by the City, and all of the Assessed Lots will be developed by the Developer or homebuilders that have purchased Assessed Lots from the Developer. See “LAND DEVELOPMENT - Assessed Lots” and, particularly, Table 5 thereunder as well as the map on pages (viii) and (x) with respect to the location of the area encompassing the Assessed Lots.

THE BONDS

Authorization and Purpose

The Bonds are authorized pursuant to the Act and will be issued, sold and delivered pursuant to a resolution adopted by the Board on April 16, 2024* (the “Bond Resolution”). The Bonds will be issued to provide funds (i) to pay all or a portion of the costs of the Public Infrastructure, (ii) to pay costs of issuance relating to the Bonds, (iii) to provide for capitalized interest on the Bonds through July 1, 2025*, and (iv) to fund a debt service reserve fund for the Bonds (the “Reserve Fund”). See “SOURCES AND APPLICATIONS OF FUNDS.”

General Description

The Bonds will be dated the date of their initial delivery, and will mature and bear interest as set forth on the inside front cover page of this Official Statement.

The principal of, redemption price for and interest on the Bonds will be payable when due to Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Interest on the Bonds will be paid semiannually on January 1 and July 1 of each year, commencing January 1, 2025* (each such date being referred to herein as an “Interest Payment Date”). The Bonds will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the date of their initial delivery, calculated on the basis of a 360-day year consisting of twelve 30-day months. The District has chosen the close of business on the fifteenth (15th) day of the calendar month (other than a Saturday, a Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the place of payment or in the city where the principal corporate trust office of the Bond Registrar and Paying Agent (as defined herein) is located (a “Business Day”)) next preceding the applicable Interest Payment Date, or if such day is not a Business Day, the previous Business Day, as the “Record Date” for the Bonds.

Beneficial ownership interests may be purchased through the facilities of DTC in the book-entry-only form described herein in minimum denominations of \$5,000 of principal amount due on a specified maturity date or \$1,000 integral multiples in excess thereof. DTC will act as the securities depository of the Bonds for a book-entry-only system (the “Book-Entry-Only System”). See APPENDIX E - “BOOK-ENTRY-ONLY SYSTEM.”

Bond Registrar and Paying Agent

U.S. Bank Trust Company, National Association will serve as the initial bond registrar, transfer agent and paying agent (the “Bond Registrar and Paying Agent”) for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

Redemption Provisions*

Special Optional Redemption. The Bonds will be redeemed at the option of the District in whole or in part on any Interest Payment Date, upon not more than sixty (60) nor less than thirty (30) days' prior notice, upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed, plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date without premium (i) if and to the extent on or after the completion of the Public Infrastructure amounts are transferred from the Acquisition Fund (as defined in the Bond Resolution) for such purpose, (ii) from the prepayment of any Special Assessment by the owner of any Assessed Lot, (iii) from the proceeds of any foreclosure sale of any Assessed Lots for the payment of any delinquent Special Assessments, to the extent such proceeds are not used to replenish the Reserve Fund to an amount equal to the Reserve Fund Requirement (as defined herein) and (iv) from amounts transferred from the Reserve Fund, if and to the extent the amount held in the Reserve Fund, together with the amount held in the Bond Fund (as defined herein), is sufficient to pay the principal amount of all Bonds outstanding on an Interest Payment Date, together with the accrued interest on such Bonds as of such Interest Payment Date.

Optional Redemption. The Bonds, maturing on or after July 1, 20__, will be redeemable, on or after July 1, 20__, at the option of the District in whole on any date or from time to time in part on any Interest Payment Date, upon not more than sixty (60) nor less than thirty (30) days' prior notice, upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date without premium.

Mandatory (Sinking Fund) Redemption. The Bonds maturing in the following years will be redeemed on the following redemption dates and in the following (sinking fund) amounts upon not more than sixty (60) nor less than thirty (30) days' prior notice, upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date without premium:

<u>Redemption Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>
<u>Bonds Maturing 20__</u>	
20__	\$ __,000
20__	__,000
20__	__,000
20__	__,000
<u>Bonds Maturing 20__</u>	
20__	\$ __,000
20__	__,000
20__	__,000
20__	__,000
20__	__,000

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

Notice of Redemption. So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC, in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than sixty (60) nor

* Preliminary, subject to change.

less than thirty (30) days prior to the date set for redemption. Neither the failure of DTC nor any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository.

Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system ("EMMA"), in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above. See APPENDIX E - "BOOK-ENTRY-ONLY SYSTEM."

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

Effect of Redemption. Pursuant to the Bond Resolution, if on the date of redemption of Bonds sufficient moneys for payment of the redemption price and accrued interest are held by the Bond Registrar and Paying Agent, interest on the portion of the Bonds to be redeemed will cease to accrue and such portion of the Bonds will cease to be entitled to any benefit or security under the Bond Resolution except the right to receive payment from the moneys held for such portion of the Bonds by the Bond Registrar and Paying Agent.

Redemption of Less Than All of a Bond. The District may redeem an amount which is included in a Bond in integral multiples of \$1,000. In that event if the Book-Entry-Only System is discontinued, the registered owner shall submit the Bond for partial redemption and the Bond Registrar and Paying Agent shall make such partial payment and the Bond Registrar and Paying Agent shall cause to be issued a new Bond in a principal amount which reflects the redemption so made to be authenticated and delivered to the registered owner thereof.

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ESTIMATED DEBT SERVICE FOR THE BONDS (a)*

Set forth below are the estimated debt service requirements for the Bonds.

Period Ending (July 1)	Principal	Interest (b)	Total Annual Debt Service Requirements
2025		\$ 139,689	\$ 139,689
2026	\$ 39,000	126,035	165,035
2027	41,000	123,500	164,500
2028	44,000	120,835	164,835
2029	47,000	117,975	164,975
2030	50,000	114,920	164,920
2031	53,000	111,670	164,670
2032	57,000	108,225	165,225
2033	60,000	104,520	164,520
2034	64,000	100,620	164,620
2035	68,000	96,460	164,460
2036	73,000	92,040	165,040
2037	77,000	87,295	164,295
2038	82,000	82,290	164,290
2039	88,000	76,960	164,960
2040	93,000	71,240	164,240
2041	100,000	65,195	165,195
2042	106,000	58,695	164,695
2043	113,000	51,805	164,805
2044	120,000	44,460	164,460
2045	128,000	36,660	164,660
2046	136,000	28,340	164,340
2047	145,000	19,500	164,500
2048	155,000	10,075	165,075
	<u>\$ 1,939,000</u>		

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- (a) Provided by the Financial Advisor (as defined herein).
- (b) Interest is estimated at 6.50% per annum. The first interest payment on the Bonds will be due on January 1, 2025*. Thereafter, interest payments will be made semiannually on each July 1 and January 1 until maturity or prior redemption.

* Preliminary, subject to change.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

Bond Fund and Special Assessments

The Bonds will be payable solely from and secured by a special, separate fund established pursuant to the Bond Resolution and maintained by the District (the "Bond Fund") which will contain the installments collected with respect to the Special Assessments and, initially, a portion of the proceeds of the Bonds representing capitalized interest. (The remaining land in the District does not represent security for the Bonds.) The Bonds will, under certain circumstances, also be payable from amounts available from time to time in the Reserve Fund. The Board has levied the Special Assessments based on the benefit determined by the Board to be received by the corresponding Assessed Lot from the Public Infrastructure. **Pursuant to an agreement expected to be entered into between the District and the Treasurer of Pinal County, Arizona (the "Treasurer"), the District may, in each year, determine to have some or all of that year's installment payments collected with respect to the Special Assessments collected by the Treasurer as part of, and pursuant to the procedures for collection of, general property taxes. (See "OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES - Introduction.")** In the event of nonpayment of a current year installment that is collected by the Treasurer, such installment will no longer be collected under the Foreclosure Process (as defined and described below), but will instead be collected in the same manner as general property taxes. Collection of a delinquent installment by the Treasurer with other delinquent general property taxes may result in a delay in the ultimate collection of such installment. Therefore, it is the intent of the District to collect the remaining installments of that Special Assessment pursuant to the Foreclosure Process.

Notwithstanding any such agreement with the Treasurer, the Special Assessments are a first lien on the Assessed Lots subject only to general property taxes and prior special assessments. **(THERE ARE SUCH GENERAL PROPERTY TAXES IN THE CASE OF THE BONDS; HOWEVER, THERE ARE NO PRIOR SPECIAL ASSESSMENTS. SEE "OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES.")** *Failure to pay such general property taxes and subsequent foreclosure of the related lien does not extinguish a Special Assessment. Neither the current owner nor any subsequent owners of the Assessed Lots are obligated to pay the Special Assessments or the Bonds, and the assets of the current owner or any subsequent owners, other than the Assessed Lots, do not secure such payment. The Special Assessments and the Bonds will be secured only by the Assessed Lots. The Special Assessments are not cross-defaulted. Any owner, current or subsequent, could choose to pay one Special Assessment and not another for Assessed Lots it owns.*

In the event of nonpayment of amounts due with respect to a Special Assessment, the procedures for collection of delinquent assessments and sale of delinquent property prescribed by Sections 48-601 through 48-607, Arizona Revised Statutes (the "Foreclosure Process"), apply, as nearly as practicable, **except that neither the District nor the City is required to purchase the Assessed Lots subject to delinquency at the sale even if there is no other purchaser.** See **"SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Foreclosure Process"** and **"RISK FACTORS - Non-Payment of Assessments."** Any Assessed Lot will be offered for sale pursuant to the Foreclosure Process for nonpayment of the Special Assessment on such Assessed Lot and, if sold, the proceeds thereof will be deposited in the Bond Fund or will be used to replenish the Reserve Fund. The rights and obligations of the District relating to collection and payment of the Special Assessments and the enforcement of remedies against delinquent Special Assessments (including the Foreclosure Process) may be subject to bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights and may be subject to judicial discretion in accordance with general principles of equity.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE DISTRICT, THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL NOT BE GENERAL OBLIGATIONS OF THE DISTRICT BUT WILL BE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE SPECIAL ASSESSMENTS AND AMOUNTS HELD IN THE RESERVE FUND.

Reserve Fund

As indicated in "SOURCES AND APPLICATIONS OF FUNDS," \$ _____* of the proceeds of the sale of the Bonds will be deposited in the Reserve Fund. The amount of the Reserve Fund is equal to the lesser of: (i) ten percent (10%) of the principal amount of the Bonds; (ii) the maximum annual debt service on the Bonds; or (iii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds, or such amount as required by the Internal Revenue Code of 1986, as amended (the "Code"), to obtain or maintain the exclusion of interest from gross income for federal income tax purposes for the Bonds, pursuant to an opinion of Bond Counsel (the "Reserve Fund Requirement"). To the extent income from investments of the Reserve Fund causes the Reserve Fund to exceed the Reserve Fund Requirement, such investment income will be transferred to the Bond Fund and used to pay semiannual interest on the Bonds.

If at any time it appears that the collection of installments of the Special Assessments will not raise money sufficient to pay the then forthcoming principal or interest payment on the Bonds, any or all investments in the Reserve Fund may be liquidated and such amounts transferred to the Bond Fund as are necessary to make timely payments of principal of and interest on the Bonds, as applicable. The Reserve Fund will be reimbursed from either: (i) the proceeds from the sale of delinquent Special Assessments pursuant to the Foreclosure Process or (ii) excess amounts from installments on the Special Assessments, if any, provided, however, only to the extent that such excess portion of such installments is not required for the payment of principal of and interest on the Bonds.

If the amount held in the Reserve Fund together with the amount held in the Bond Fund is sufficient to pay the principal amount of all the Bonds outstanding on a redemption date, together with the interest accrued on such Bonds as of such redemption date, the moneys shall be transferred to the Prepayment Account of the Bond Fund and thereafter used to redeem all Bonds on such redemption date.

Foreclosure Process

The Foreclosure Process is provided by the Bond Resolution (by reference to a waiver agreement applicable to the Assessed Lots) which states that certain sections of the "General Public Improvements and Improvement Bonds Law" of the Arizona Revised Statutes are applicable. APPENDIX F includes portions of certain sections of such law. Generally, a representative of the District is required, within twenty (20) days from the date any installment is due on the Special Assessments, to begin publication of the list of the Special Assessments on which any installment is delinquent. Such representative is also required to append to and publish with the list a notice that unless each delinquent installment, together with the penalty and costs thereon, is paid, the whole amount of the Special Assessment will be declared due, and the corresponding Assessed Lot upon which the Special Assessment is a lien will be sold at public auction at a time and place to be specified in the notice. The notice of the delinquent Special Assessments is required to be published and circulated in the District for a period of ten (10) days in a daily newspaper, or for two (2) weeks in a weekly newspaper so published and circulated. Before the date fixed for the sale or the date to which the sale has been postponed, the representative is required to obtain a record search that shows the names and addresses of all lien claimants on, and other persons with an interest in, the Assessed Lots on which an installment of the Special Assessment is delinquent. At least ten (10) days before the sale date or the date to which the sale has been postponed, the representative is required to mail notice of the sale to the owner and to each of the lien claimants and other interested persons. A final sale may not be held unless the representative has mailed such notice. The time of sale shall not be less than five (5) days after the last publication, and the place of sale shall be in or in front of the office of such representative, or in front of the usual place of meeting of the Board. The sale may be postponed.

To comply with certain notice requirements, it may be necessary to postpone or continue such sales from time to time until such requirements are satisfied.

On the day fixed for the sale, the representative of the District shall, at 10:00 a.m. (Mountain Standard Time), or at a time thereafter to which the sale may be adjourned, begin the sale of the advertised Assessed Lots, commencing at the head of the list and continuing in the numerical order of lots, until all are sold. The sale may be postponed or continued from day to day until all Assessed Lots are sold. Each Assessed Lot shall be offered for sale separately. The sale amount shall be for the entire amount of the Special Assessment including the delinquent installments. The

* Preliminary, subject to change.

purchaser of the Assessed Lot will pay the amount of the Special Assessment then and there plus penalties and costs due, including fifty cents (\$0.50) to the representative of the District for a certificate of sale.

None of the District, the City or owners of land in the District are required to purchase delinquent land at any sale, even if there is no other purchaser.

Special Assessment Amounts and Land Values

Special Assessment Amounts. The Special Assessments have been levied in amounts based on the benefit to be received by the Assessed Lots from the Public Infrastructure. See Table 5. The amounts of the Special Assessments have been agreed to pursuant to a waiver agreement which are applicable to all of the Assessed Lots and is recorded in the real property records against the Assessed Lots.

Appraisal Values. An appraisal, dated March 6, 2024 (the “Appraisal”), was performed by Schnepf Ellsworth Appraisal Group LLC, Mesa, Arizona (the “Appraiser”), at the request of the District for the purpose of determining, subject to the limitations, terms and conditions thereof, the “market value” of the Assessed Lots as security for the Special Assessments as of the valuation date of February 9, 2024. In determining the “market value” of the Assessed Lots, the “sale comparison approach” was applied, through which the Appraiser derives a value indication by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison and making adjustments, based on the elements of comparison, to the sale prices of the comparable properties. The Executive Summary of Appraisal is included as APPENDIX C. **The full text of the Appraisal is available from the Underwriter and should be reviewed in its entirety.**

“Market value” is defined in the Appraisal as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market (“exposure time”);
- (4) payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time depends on several factors including market conditions and factors of supply and demand. Pricing and competent professional marketing are two very important factors. The estimate of value in the Appraisal assumed that the subject property has been exposed to the market for 9 to 12 months or less at a price not more than ten percent (10%) above the appraised value.

The Appraisal provides the “market value” of the Assessed Lots in the form of an “as is” value and an “as if complete” value.

“As is” value is the value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal, and relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

“As if complete” value is the prospective value upon completion of the parcel site improvements. The Appraisal provides that because the completion of such improvements with respect to the Assessed Lots is 85% complete, the “as is” value is less than the “as if complete” value.

As indicated in Table 5 herein, each of the Assessed Lots has an overall “as is” lot value to assessment lien ratio of not less than 26 to 1 as of the valuation date of the Appraisal. See **“RISK FACTORS - Failure or Inability to Complete Proposed Development”** and **“- Completion of the Public Infrastructure and the Other Infrastructure.”**

There can be no assurance that the values described in the Appraisal are accurate or that the assumptions relied upon in the Appraisal were accurate. There can be no assurance that the values determined in the Appraisal are related in any way to future value or the value as of the date of any default under the Bonds. See “RISK FACTORS - Appraised Value.”

Full Cash Values. The “full cash value” of the District for tax year 2023 as determined by the Assessor (as defined herein) of Pinal County, Arizona (the “County”) does not include the Assessed Lots because the Assessed Lots were patented after tax year 2023 valuations were determined. It is estimated that the “full cash value” determined by the Assessor of the County for lots within the District similar to the Assessed Lots is significantly less than the values of the Assessed Lots shown in the Appraisal. (Estimated “full cash value” is the total market value as determined by the County Assessor of Pinal County, Arizona (the “Assessor”); in determining the full cash value of the Assessed Lots and other lots within the District similar to the Assessed Lots, the property is expected to be initially valued as “Vacant and Agricultural Land” by the Assessor.)

OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES

Introduction

The District has no control over the amount of additional indebtedness or other amounts payable from taxes or assessments on all or a portion of the property within the District or the area that encompasses the Assessed Lots which may be issued or levied in the future by other governmental entities or political subdivisions, including but not limited to the City, the County, school districts, certain other special districts or other entities having jurisdiction over all or a portion of the land within the District or such area. To the extent such indebtedness is payable from property taxes, such taxes will have a lien on the property within the District paramount and superior to the lien of the Special Assessments. Under current law, any special assessment lien securing indebtedness issued after the Bonds by any such entity would be subordinate and subject to the lien of the Special Assessments. See “Other Debt of the District” in this section. Currently, there are no prior special assessment liens on the area that encompasses the Assessed Lots. **SEE ALSO, “RISK FACTORS - Direct and Overlapping Indebtedness and Taxes” FOR A DISCUSSION ABOUT THE IMPACT OF SUCH LIENS, EVEN IF SUCH LIENS ARE SUBORDINATE LIENS.**

For tax purposes in Arizona, real property is either valued by the assessor of the county or the Arizona Department of Revenue. Property valued by the Arizona Department of Revenue is referred to as “centrally valued” property and is generally owned by large mine and utility entities. Property valued by the assessor of the county is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property.

While locally assessed property in the State has two different values, “limited property value” and “full cash value,” only the limited property value is used as the basis for taxation. The full cash value is maintained and used as the benchmark for determining the taxable value. The limited property value of real property and improvements, including mobile homes, used for all *ad valorem* property tax purposes (both primary and secondary as hereinafter described) is limited by the Arizona Constitution to the lesser of the full cash value of the property or an amount five percent (5%) greater than the limited property value of the property determined for the prior year. Such limitation on an increase in value does not apply to certain types of property set forth in the Arizona Constitution and the Arizona Revised Statutes. For centrally valued property and personal property (except mobile homes), the full cash value of the property is used as the basis for taxation.

All property both real and personal is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the limited property value or full cash value of the property, as applicable, to obtain the limited assessed property value and the full cash assessed value, respectively. The assessment ratio for agricultural and vacant land is currently 15%, the assessment ratio for owner-occupied residential property is currently 10%. Net assessed limited property value ("Net Assessed Limited Property Value") is determined by excluding the value of property exempt from taxation from limited assessed property value and from full cash assessed value of centrally valued property and combining the resulting two amounts.

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are primary taxes. These taxes are levied against the assessed valuation of the property (taxable value multiplied by the appropriate assessment ratio).

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of two percent (2%) over the prior year's levy plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The two percent (2%) limitation does not apply to primary taxes levied on behalf of school districts. Primary taxes on residential property only are constitutionally limited to one percent (1%) of the limited value of such property.

Taxes levied for debt retirement, voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts are secondary taxes. These taxes are also levied against the assessed valuation of the property as described above. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness or special district assessments.

All taxes become a lien upon the property assessed (they are not a personal obligation of the property owner), attaching on the first day of January of each tax year. Generally, a tax lien is not satisfied or removed until the taxes are paid or the property is finally vested in a purchaser under a tax lien sale as hereinafter described. An *ad valorem* property tax lien is prior and superior to all the liens and encumbrances on the property, except liens and encumbrances held by the State.

If the *ad valorem* property taxes are not paid when due, the Treasurer is required to secure a payment through the sale of the tax lien. Not later than December 31 of each year, the Treasurer must prepare a list of all real property upon which the *ad valorem* property taxes for prior years were unpaid and delinquent. The property so listed is advertised for sale, and the sale of the tax lien for delinquent *ad valorem* property taxes must be held by the Treasurer in February of the calendar year immediately following the publication of notice of the tax lien sale. The Treasurer will offer at the sale a tax lien on each delinquent property at a price equal to the amount of taxes, interest and penalties due on the property to the bidder willing to accept the lowest rate of interest on the amount paid by the bidder for the tax lien. If no bidder is willing to accept sixteen percent (16%) per annum or less, the lien is assigned to the State and held for subsequent resale. If a tax lien is sold, the bidder is required to pay in cash at the time of sale a purchase price equal to the amount of taxes, interest and penalties due on the property. If the lien is assigned to the State, the *ad valorem* property taxes due will remain unpaid until subsequent resale or redemption of the property.

Accordingly, delinquent *ad valorem* property taxes should, if the assessed property has sufficient value to attract bidders at the tax lien sale, be recovered within fifteen (15) months after the end of the calendar year in which such taxes were levied and assessed.

The holder of a tax lien is entitled to foreclose the right to redeem the tax lien by judicial sale after the third anniversary of the tax lien sale.

Existing, Overlapping, Superior, General Obligation Bonded Indebtedness and Taxes

Overlapping, general obligation bonded indebtedness and tax levies for other purposes with respect to land which encompasses the District, the lien for which is paramount and superior to that of the Bonds, is shown below including a breakdown of each overlapping jurisdiction's applicable general obligation bonded debt, Net Assessed Limited Property Value and combined tax rate per \$100 of Net Assessed Limited Property Value. (While such indebtedness and tax levies also encompass Assessment Area No. 1, comparable information for Assessment Area No. 1 based on the Net Assessed Limited Property Value is not yet available. See footnote (a) to Table 1.) The applicable percentage of each jurisdiction's assessed valuation which lies within such area was derived from

information obtained from the Assessor. The District has authorized the issuance of up to \$400,000,000 principal amount of general obligation bonds at an election held on February 2, 2022 (the “Election”). The District anticipates its first issuance of general obligation bonds in 2024. See “Other Additional, Overlapping, Superior, General Obligation Bonded Indebtedness and Taxes” in this section.

TABLE 1
OVERLAPPING GENERAL OBLIGATION BONDED INDEBTEDNESS

Portion Applicable to the District (a)	2023-24		Proportion Applicable to the District (a)		Total Tax
	Net Assessed Limited Property Value	General Obligation Bonded Debt (b)	Approximate Percent	Net Debt Amount	Rates Per \$100 Net Assessed Limited Property Value (c)
Overlapping Jurisdiction					
State of Arizona	\$ 83,026,530,244	None	0.00 %	None	None
Pinal County	3,390,905,658	None	0.01	None	\$3.8810 (d)
Pinal County Community College District	3,390,905,658	\$ 54,905,000	0.01	\$ 6,647	1.9200
Central Arizona Water Conservation District	3,390,905,658	None	0.01	None	0.1400 (d)
East Valley Institute of Technology	862,566,705	None	0.06	None	0.0500
Apache Junction Unified School District No. 43	536,976,475	10,225,000	0.09	7,817	4.1254
Superstition Fire & Medical District	521,438,586	1,977,000	0.09	1,556	3.5900
City of Apache Junction	198,538,048	None	0.25	None	0.0000
Superstition Vistas Community Facilities District No. 2 (e)	410,526	None	100.00	None	4.1500
				<u>\$ 16,021</u>	

- (a) Proportion applicable to Assessment Area No. 1 is not available. Proportion applicable to the District was used instead. For Tax Year 2023, portions of the land within the boundaries of the District were still owned by ASLD and therefore not subject to property taxes and assessed values were not assigned to such portions of the District. Because the area that encompasses Assessment Area No. 1 only encompasses the area shown on the maps, which is a smaller area than the area of the District, these amounts are greater than what actually overlaps such area. If the assessed value within the District increases at a faster rate than the overlapping jurisdictions, the amount of overlapping debt allocated for payment within the District will increase.
- (b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amounts of certificates of participation or revenue obligations outstanding for the jurisdictions listed above. Also does not include outstanding principal amounts of bonds of various assessment districts or areas as the obligations of these districts are presently being paid from special assessments against property within the various districts. Does not include authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future.

Also does not include the obligation of the Central Arizona Water Conservation District (“CAWCD”) to the United States Department of the Interior the (“Department of the Interior”), for repayment of certain capital costs for construction of the Central Arizona Project (“CAP”), a major reclamation project that has been substantially completed by U.S. Department of the Interior. In April of 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD’s obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre-feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages have been fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona’s Maricopa, Pima and Pinal Counties. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. CAWCD was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States’ portion of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial

and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per \$100 of Net Assessed Limited Property value, of which 14 cents is currently being levied. (See Arizona Revised Statutes, Sections 48-3715 and 48-3715.02) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

- (c) The combined tax rate includes the tax rate for debt service payments and the tax rate for all other purposes such as maintenance and operation and capital outlay.
- (d) The County's tax rate includes the \$0.1693 tax rate of the Pinal County Flood Control District, the \$0.0965 tax rate of the Pinal County Free Library, the \$0.0552 tax rate for the contribution to the Pinal County Fire District Assistance and the \$3.5600 tax rate of the County. The State does not currently levy *ad valorem* taxes. The net assessed limited property value of the County Flood Control District does not include the personal property assessed valuation within the County. The net assessed limited property value for the CAWCD reflects the assessed valuation located within the County only. The County is mandated to levy a tax annually in support of fire districts in the County. All levies for library districts, hospital districts, fire districts, technology districts, water conservation districts and flood control districts are levied on the net full cash assessed value.
- (e) Does not include the Bonds. Does not include special assessment bonds or general obligation bonds outstanding or expected to be issued by the District in the future. The District levied the Operation and Maintenance Tax (as defined herein) and property taxes to pay anticipated general obligation bond debt service in fiscal year 2023-24 and to collect revenues from the portion of the land within the District boundaries patented by the Developer and no longer owned by ASLD. The lien for taxes for both debt service and operation and maintenance purposes would be superior and paramount to that for the Special Assessments with respect to the Bonds. See "OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES - Other Debt of the District" herein.

Source: Pinal County Assessor Department, the various entities, the Pinal County Finance Department and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

Overlapping, Superior, General Obligation Bonded Indebtedness and Maintenance and Operations Tax of the District

As noted above, pursuant to the Election, the District is authorized to incur general obligation bonded indebtedness in an amount not to exceed \$400,000,000 in principal amount, of which \$400,000,000 remains authorized but unissued, payable from *ad valorem* taxes levied on all property within the District without limit as to rate or amount. The District anticipates its first issuance of general obligation bonds in 2024. Authorized but unissued bonds will be issued over time in order to finance, among other things, the costs of public infrastructure within the District, including incidental costs and the costs of issuing bonds. (Additional bonds payable from such source could be authorized by elections in the future.) At the Election, the District also authorized the levy and collection of an *ad valorem* property tax of \$0.30 per \$100 of Net Assessed Limited Property value for administrative, operational and maintenance costs of the District (the "Operation and Maintenance Tax"). The lien for taxes for both general obligation bond debt service and operation and maintenance purposes would be superior and paramount to that for the Special Assessments with respect to the Bonds. See "**RISK FACTORS - Direct and Overlapping Indebtedness and Taxes.**"

Other Additional, Overlapping, Superior, General Obligation Bonded Indebtedness and Taxes

As noted above, the District has no control over the amount of additional debt payable from taxes or tax levies for other purposes on all or a portion of the property within the District that may be issued or levied in the future by other political subdivisions, including but not limited to the City, the County, school districts, certain other special districts or other entities having jurisdiction over all or a portion of the land within the District. To the extent such obligations are payable from general property taxes, such taxes will have a lien on the taxable property within the District superior and paramount to that for the Special Assessments with respect to the Bonds. Additional indebtedness or tax levies for other purposes could be authorized for such overlapping jurisdictions in the future. See "**RISK FACTORS - Direct and Overlapping Indebtedness and Taxes.**"

The following jurisdictions which overlap the Assessed Lots have the indicated authorized but unissued general obligation bonded debt available for future issuance:

TABLE 2
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Overlapping Jurisdiction	General Obligation Bonds Authorized but Unissued
The District	\$400,000,000

Other Debt of the District

Assessment Area No. 1 is the first assessment area within the District. Other series of special assessment bonds payable solely from and secured by special, separate funds established and maintained by the District from installments due with respect to certain other special assessments may be issued by the District in the future. The term “special assessments” as used hereinabove refers to the assessments which would be levied and assessed by the District in the related assessment area which could encompass portions of the District, each of which would constitute a first lien on the parcel so levied and assessed, subordinate and subject only to general property taxes and prior special assessments. There can be no assurance that additional amounts of such bonds payable from special assessments will not be issued in the future, increasing the amount of liens on property in the District for such purposes. See **“RISK FACTORS - Direct and Overlapping Indebtedness and Taxes.”**

SOURCES AND APPLICATIONS OF FUNDS

The sources and applications of funds with respect to the Bonds are as follows:

TABLE 3

SOURCES OF FUNDS	
Par Amount of Bonds	<u>\$1,939,000.00*</u>
TOTAL SOURCES	<u><u>\$1,939,000.00*</u></u>
USES OF FUNDS	
Payment of Costs of Issuance (including Underwriter's discount)	\$
Deposit to Reserve Fund	
Deposit to Bond Fund (representing capitalized interest)	
Deposit to Acquisition Fund	_____
TOTAL USES	<u><u>\$</u></u>

THE PUBLIC INFRASTRUCTURE

The information contained in this section relates to and has been obtained from the Developer and none of the District, the Financial Advisor or the Underwriter or their respective attorneys, agents or consultants assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

* Preliminary, subject to change.

The Public Infrastructure is comprised of the construction of a portion of a new roadway within the District known as Blossom Rock Trail, which cost approximately \$2,200,000. The work consists of construction of approximately 3,639 linear feet of full street surface improvements, including curb and detached sidewalk. The street improvements include two lanes in each direction and tying into existing Ray Avenue to the South and extending to the North. These improvements include 12-inch potable water and 8-inch water stubs, various sizes of storm drain, concrete curb and gutter, sidewalk, paving, striping, signage, streetlights and street sleeves. All improvements are shown on the plans sealed by Wood, Patel and Associates, on December 29, 2022 and approved by the City, which may be amended from time to time to allow for additional property uses adjacent to Blossom Rock Trail that are not yet known. See “LAND DEVELOPMENT - In General.”

The Public Infrastructure was publicly bid in compliance with the process required by State law and the District; completion bonds have been obtained for all the Public Infrastructure. Contracts have been entered into for construction of the Public Infrastructure. The Public Infrastructure is being constructed and upon completion by the Developer will be acquired by the District and transferred to the City or other governmental entity upon acceptance. Proceeds from the sale of the Bonds will be used by the District to acquire the Public Infrastructure.

THE OTHER INFRASTRUCTURE

The information contained in this section relates to and has been obtained from the Developer, and none of the District, the Financial Advisor or the Underwriter or their respective attorneys, agents or consultants assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

Certain other infrastructure (collectively, the “Other Infrastructure”) is being constructed in connection with the development of the Project. To date, the contract amounts for the Other Infrastructure listed below are in excess of \$254,894,000, all of which is being paid by the Developer. The completion of the Other Infrastructure contributes to the values described in the Appraisal. Completion bonds for all of the Other Infrastructure are in place. None of the Other Infrastructure is being financed with proceeds of the sale of the Bonds; some may, however, be the subject of general obligation bonds to be issued by the District in the future.

The Other Infrastructure is more particularly described as follows:

Ironwood Drive Phase 1A and 2A at Superstition Vistas Development Units 1 & 2 – The roadway consists of approximately 3,073 lineal feet of full-street improvements from Ray Avenue to Radiance Avenue (three lanes in each direction with a raised and landscaped median and bike lanes) and five and one-half inches (5½”) of asphaltic concrete over an asphalt base course subgrade of thirteen inches (13”), together with traffic signal at Ray Avenue, pavement striping, traffic signage, street lighting, City of Apache Junction ITS conduit, vertical curb, detached concrete sidewalks, concrete ramps, storm drain, storm drain manholes, catch basins, 30” and 24” water mains and stubs of varying diameter, water fire hydrants, water valves, 18” sewer main and stubs of varying diameter, sewer manholes, dry utilities, and landscaping. The public improvements for the full-street of Ironwood Drive Phase 1A & 2A at Superstition Vistas Development Units 1 & 2, are scheduled to be completed on or about July 2024 and are expected to be conveyed to the City on or about August 2024.

Ironwood Drive Phase 1B, 1C, 2B, and 2C at Superstition Vistas Development Units 1 & 2 – The roadway consists of approximately 5,700 linear feet of full-street improvements from Radiance Avenue to the Powerline Floodway Channel (three lanes in each direction with a raised and landscaped median and bike lanes) and approximately 2,200 linear feet of half-street improvements from the Powerline Floodway Channel to Elliot Avenue (three lanes for the northbound direction with a raised and landscaped median and bike lanes). Along with five and one-half inches (5½”) of asphaltic concrete over an asphalt base course subgrade of thirteen inches (13”), together with traffic signal at Warner Avenue, pavement striping, traffic signage, street lighting, City of Apache Junction ITS conduit, vertical curb, detached concrete sidewalks, concrete ramps, 15” storm drains, box culverts and pipe culvert extensions (for box culverts 96” X 48” and adding an additional barrel 48” x 60” to the existing 120” x 60” box culvert), the pipe culverts range from 24” to 30”, catch basins, 30” water main and steel encasements, water fire hydrants, water valves, 18” and 15” sewer mains and a 15” stub, sewer manholes, dry utilities, and landscaping. The

public improvements for Ironwood Drive Phase 1B, 1C, 2B, and 2C at Superstition Vistas Development Units 1 & 2, are scheduled to be completed on or about July 2024 and are expected to be conveyed to the City on or about August 2024.

Ray Avenue Phase 1 at Superstition Vistas Development Unit 2 – The roadway consists of approximately 2,630 lineal feet of half-street improvements from Ironwood Drive to Blossom Rock Trail (one lane in each direction with a paved median and bike lane) and five and one-half inches (5½”) of asphaltic concrete over an asphalt base course subgrade of twelve inches (12”), together with pavement striping, traffic signage, street lighting, City of Apache Junction ITS conduit, vertical curb, detached concrete sidewalks, concrete ramps, storm drain, storm drain manholes, catch basins, 24” water main and stubs of varying diameter, water fire hydrants, water valves, 15” sewer main and stubs of varying diameter, sewer manholes, dry utilities, and landscaping. The public improvements for the half-street of Ray Avenue Phase 1 at Superstition Vistas Development Unit 2, are scheduled to be completed on or about March 2024 and are expected to be conveyed to the City on or about April 2024.

Ray Avenue Phase 2 at Superstition Vistas Development Unit 2 – The roadway consists of approximately 2,567 lineal feet of half-street improvements from Blossom Rock Trail to Idaho Road (one lane in each direction with a paved median and bike lane) and five and one-half inches (5½”) of asphaltic concrete over an asphalt base course subgrade of twelve inches (12”), together with pavement striping, traffic signage, street lighting, City of Apache Junction ITS conduit, vertical curb, detached concrete sidewalks, concrete ramps, storm drain, storm drain manholes, catch basins, 24” water main and stubs of varying diameter, water fire hydrants, water valves, 15” sewer main and stubs of varying diameter, sewer manholes, dry utilities, and landscaping. The public improvements for the half-street of Ray Avenue Phase 2 at Superstition Vistas Development Unit 2, are scheduled to be completed on or about July 2024 and are expected to be conveyed to the City on or about August 2024.

Idaho Road Phase 1 at Superstition Vistas Development Unit 2 – The roadway consists of approximately 3,341 lineal feet of half-street improvements from Ray Avenue extending north (one lane in each direction with a bike lane) and four and one-half inches (4½”) of asphaltic concrete over an asphalt base course subgrade of nine inches (9”), together with pavement striping, traffic signage, street lighting, City of Apache Junction ITS conduit, vertical curb, detached concrete sidewalks, concrete ramps, storm drain, storm drain manholes, catch basins, 16” water main and stubs of varying diameter, water fire hydrants, water valves, dry utilities, and landscaping. The public improvements for the half-street of Ray Avenue Phase 2 at Superstition Vistas Development Unit 2, are scheduled to be completed on or about December 2024 and are expected to be conveyed to the City on or about January 2025.

Williams Field Lift Station and Force Mains – These improvements include a 7.0 million gallon per day (MGD) lift station with pumps, motors, piping, valves, odor control unit, channel grinder, 30” gravity sewer, sewer manholes, sewer appurtenances, 49,000 lineal feet of 24” force main and 26,400 linear feet of 6” force main. These improvements are under construction and scheduled to be completed on or about June 2024 and expected to be conveyed to the City, or other governmental entities, as applicable, on or about August 2024. As of the date of this Official Statement, Phase One of the lift station that includes 6” pumps and the 6” force main is complete and in operation.

Water Campus – Phase 1 Superstition Vistas Water Campus includes one (1) 3.3 million gallon (MG), 200-foot long, 100-foot wide, 23 to 25-foot tall, cast-in-place, buried concrete storage reservoir, a booster pump station that includes four (4) vertical turbine booster pumps and appurtenances, two (2) vertical turbine recirculation pumps and appurtenances, chemical feed system for sodium hypochlorite, one (1) 5,000 gallon hydro pneumatic tank, related yard piping mechanical appurtenances, and related site work. These improvements are under construction and scheduled to be completed on or about May 2024 and are expected to be conveyed to the City, or other governmental entities, as applicable, on or about July 2024.

Superstition Area Water Plant (SAWP) Phase 1 Expansion – The SAWP Phase 1 Expansion in general includes installation of one (1) 75-hp 2,315-gpm raw water pump and associated piping, valves, and instrumentation, one (1) 1.4 million gallon lined raw water impound, raw water impound pump station with two (2) 60-hp 2,740-gpm submersible pumps with associated piping, valves, and instrumentation, a 4 mgd automatic self-cleaning strainer, and strainer station improvements, one (1) 2 mgd (1,400 gpm) Packaged Water Treatment Plant (Treatment Train 2) and connecting piping, one (1) 125-hp 1,400-gpm vertical turbine finished water pump, one (1) new Operator/SCADA Room, one (1) chlorine dioxide facility including a building with chemical storage for sodium chlorite, hydrochloric acid and sodium hypochlorite storage tanks, one (1) chlorine dioxide solution distribution skid and relocation of the existing 100 pound per day chlorine dioxide generator. Additional improvements include one (1) sodium hypochlorite storage tank to be installed at the treatment building chemical storage area replacing the existing simplex chemical

feed skids with new duplex chemical feed skids and associated piping for aluminum sulfate, polymer, and sodium hypochlorite. The Project also includes upgrades to the used water recovery system at the facility include replacing the existing reclaimed water decant pumps with two (2) new 1,400 gpm pumps, and replacement of the two (2) existing recessed impeller reclaim sludge pumps with two (2) new progressive cavity pumps and associated piping, valves, and instrumentation with a second chamber is being installed for the lift station. Project also include various yard piping and pavement upgrades throughout the facility. These improvements are under construction and are scheduled to be completed on or about October 2024 and are expected to be conveyed to the Apache Junction Water District or other governmental entities, as applicable, on or about June 2025.

The Non Potable Water (NPW) Reservoir and Booster Pump Station Phase I – The Project includes one (1) 1.5-million-gallon (MG) partially buried, reinforced concrete, vertical-wall with internal flow baffles, cast-in-place reinforced concrete roof, non-potable water storage reservoir, one (1) 1.0 million gallon per day (mgd) integral booster pump station with vertical turbine, low head – high flow pumps, one (1) combined appurtenant (ancillary) features required for the operation of the facilities. The Project also includes one (1) Electrical and Chemical Building and piping system components combined that serve Phase 1. These improvements are under construction and are scheduled to be completed on or about October 2024 and are expected to be conveyed to the Apache Junction Water District or other governmental entities, as applicable, on or about December 2024.

Superstition Vistas Development Unit 3 Meridian Drive Utilities – The improvements consist of approximately 4,195 lineal feet of 36” gravity sewer and 28 lineal feet of gravity sewer from Ray Avenue extending south along future Meridian Road, together with stubs of varying diameter, sewer manholes, 20’ wide access road, 12” water main and stubs of varying diameter, water fire hydrants, water valves, and landscaping. The public improvements for the Superstition Vistas Development Unit 3 Meridian Drive Utilities, were completed in July 2023 and were conveyed to the City in August 2023.

Superstition Vistas Non-Potable Water Main – The improvements consist of approximately 17,016 lineal feet of 24” non-potable water transmission main from the existing Apache Junction Sewer District Wastewater Treatment Facility at Guadalupe Avenue and Ironwood Drive extending south along Ironwood Drive, east along Warner Avenue, and south along Blossom Rock Trail to Ray Avenue, together with stubs of varying diameter, flushing hydrants, and valves. The public improvements for the Superstition Vistas Non-Potable Water Main, are scheduled to be completed on or about May 2024 and are expected to be conveyed to the City on or about June 2025.

The District Park Phase 1 (Project) - Approximately 32-acres spanning across 7 parcels within phases 1 and 2 of SVDU2. The project features a variety of active community park elements within two (2) larger parcels, approximately 17-acres in size, along the Spine Road just north of Ray Road. The project includes an irrigation lake, irrigation pump station, playground, dog park, restroom facility, parking, as well as a network of interconnected sidewalks and trails. The remaining five (5) parcels, approximately 15-acres in size, locate along the east sides of Spine Road and Ironwood Drive, will serve as greenbelt and pedestrian active open space areas. All District Park parcels will be designed to function as stormwater retention facilities for the development and will be mass graded as part of the overall development of SVDU2 Phases 1 and 2.

Primary Entry Monument – New construction open air barn and tower structures at entrance of community at Northeast corner of Ray Avenue and Blossom Rock Trail.

Elliot & Ironwood Intersection – Construction of Elliot Road from Ironwood Drive to Blossom Rock Trail and Blossom Rock Trail from Elliot to the Powerline Floodway per the approved Masterplan Community. Scope of services include roadway improvements, drainage, water design, wastewater design, signing and marking and street lighting completed per the Auction property masterplans.

Well Site #1

- *Drilling by Clear Creek & Archer Western* – The well is located along Ironwood Road, south of the east Mesquite Street Alignment in Apache Junction, AZ. Drilling and testing of the well were conducted by Arizona Beeman Drilling, the well casing and screen were installed to a cased depth of 1,192 feet.
- *Equipment by Hilgart Wilson & Garney* – Installation of well #1, casing and screen material, sounding tube, gravel feed tube, airlift development, chemical additives and installation, pump and surge development as well as glass beads in place of silica sand.

LAND DEVELOPMENT

The information contained in this section relates to and has been obtained from the Developer, and none of the District, the Financial Advisor or the Underwriter or their respective attorneys, agents or consultants assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

In General

The District was created to assist with financing the acquisition of public infrastructure and public infrastructure purposes within the District. The Project is located east of Ironwood Drive, west of South Dutchman Drive, south of Radiance Avenue and north of Ray Avenue. Construction on the Project commenced in November 2021 and the Developer expects the first home closings will occur in May 2024. Single family residential units represent approximately 1,170 acres within the Project. Non-residential development comprises approximately 142 acres within the Project and includes churches, government, police and fire stations, schools, civic and commercial uses and common area, and neighborhood open space.

The real property comprising Assessment Area No. 1 consists of 554 lots (the “Assessed Lots”) and is approximately 109 acres. The Assessed Lots have been finally established by the approval of the final plats by the City, and all of the assessed lots will be developed by the Developer or homebuilders that have purchased Assessed Lots from the Developer. **Only the Assessed Lots, and not the remaining area in the District, represent security for the Bonds.** (See maps at pages (iii), (v), (vii) and (ix) for the location of the District and the Assessed Lots.) The major components of the infrastructure necessary for development of the Assessed Lots and the Project, respectively are described under the headings “THE PUBLIC INFRASTRUCTURE” and “THE OTHER INFRASTRUCTURE.”

The following chart characterizes the approximate acreage within the District as well as the acreage within Assessment Area No. 1 which is fully within the boundaries of the District.

TABLE 4

Total District	Approximate District Acres	Approximate Assessment Area No. 1 Acres
Single Family Residential	1,170	109
Non-Residential (a)	142	0
Total	1,312	109

- (a) Includes churches, fire stations, schools, civic and commercial uses and common area, and neighborhood open space.

Blossom Rock at Superstition Vistas was annexed by the City and received City Council approval for zoning the Property to the Master Planned Community zoning district, as more particularly described in the MPC Zoning Ordinance and Development Plan Case No. P-21-50-MPC, adopted by the City on or about October 5, 2021, and a Development Agreement for Superstition Vistas, by and between the City and D.R. Horton, dated October 28, 2021, and recorded on November 4, 2021, as Instrument No. 2021-140530, Records of Pinal County, Arizona, as amended (the “Land Development Agreement”), which addresses, among other things, the rights of D.R. Horton to develop the property as provided in and subject to the conditions of the Land Development Agreement. The Land Development Agreement addresses various issues oftentimes made the subject of development agreements in Arizona, such as, among other things, City services, reimbursements to the Developer for certain public infrastructure, the City’s processing of plans and permits, and public bidding. The Land Development Agreement also addresses the right to obtain and obligation to provide potable water and the required capital and operations contributions to the City for water, sewer, police and fire services within the District. Police and sanitation services are provided to the District by the City. Fire services are provided by Superstition Fire and Medical District. D.R. Horton is obligated to assist in the funding of certain capital and operational costs associated with the provision of water, sewer, police, and fire protection within the District.

Development of the property within the District and construction of homes and infrastructure is subject to obtaining various development and construction approvals and permits. As a condition to the sale of homes built on the Assessed Lots, homebuilders will be required to obtain building and any additional permits required for the construction completion of all such homes and certain other infrastructure.

Under the Land Development Agreement, D.R. Horton is responsible for the construction of all offsite infrastructure, neighborhood parks, and entry improvements. Some of the offsite infrastructure, neighborhood parks, and entry improvements will be constructed through a Joint Development Agreement (the “Joint Development Agreement”) with Brookfield Homes. Brookfield Homes subsequently assigned to the Developer, all of Brookfield Homes’ right, title and interest to acquire and develop the real property within the boundaries of the District pursuant to the Brookfield Purchase Agreement and all of its right and obligations under the Joint Development Agreement. Either the Developer or the homebuilders are responsible for subdivision improvements necessary to deliver fully finished single-family lots. Single family and multi-family residences will be constructed by the homebuilders.

The Developer

The Developer is wholly owned by Brookfield Residential Arizona, LLC (“BRA”), a community development firm with investment/ownership interests in five communities in Arizona, including Blossom Rock at Superstition Vistas. BRA is a subsidiary of Brookfield Residential which does community development and homebuilding in 25 markets across North America. Brookfield Residential is a subsidiary of Brookfield Asset Management Ltd. (“Brookfield Asset Management”), an asset management firm specializing in real estate, infrastructure, renewable energy and private equity with more than \$900 billion of assets under management in over 30 countries. Brookfield Asset Management is a public company listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol BAM.

Brookfield Asset Management is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the “Commission”). Such reports, proxy statement and other information (collectively, the “Filings”) particularly, Brookfield Asset Management’s Annual Report on Form 20-F for the fiscal year ended December 31, 2022, as filed by Brookfield Asset Management with the Commission on or about April 3, 2023, and Brookfield Asset Management’s Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16 Under the Securities Exchange Act of 1934 on Form 6-K which sets forth Brookfield Asset Management’s financial results for the fiscal quarter ended December 31, 2023, as filed by Brookfield Asset Management with the Commission on or about February 7, 2024, set forth certain data relative to the consolidated results of operations and financial position of Brookfield Asset Management and its subsidiaries, as of such dates. The Filings which may be inspected, copied and obtained at prescribed rates at the Commission’s public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission’s EDGAR data base at www.sec.gov. All documents subsequently filed by Brookfield Asset Management pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the Commission prescribes. No representative of the District, Bond Counsel, the Financial Advisor, the Underwriter or counsel to the Underwriter have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

The foregoing Internet addresses and references to filings with the SEC are included for reference only, and the information on these Internet websites and on file with the SEC are not a part of this Official Statement and are not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such Internet websites. Investors should not rely on the information and financial statements contained on these websites in evaluating whether to buy, hold or sell the Bonds. Some of the statements contained in the annual reports and the quarterly and current reports may be construed as “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on Brookfield Asset Management’s management’s beliefs as well as assumptions made by, and information currently available to, Brookfield Asset Management’s management. These forward-looking statements typically include the words “anticipate,” “believe,” “consider,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “likely,” “may,” “outlook,” “plan,” “possible,” “potential,” “predict,” “projection,” “seek,” “should,” “strategy,” “target,” “will,” “would” or other words of similar meaning. Any or all of the forward-looking

statements included in the annual reports and the quarterly and current reports may not approximate actual experience, and the expectations derived from them may not be realized, due to risks, uncertainties and other factors. As a result, actual results may differ materially from the expectations or results in the forward-looking statements.

The District

Utility Services. Wastewater collection and treatment within the District are provided by the Apache Junction Sewer District and potable water production and distribution within the District are provided by Water Utilities Community Facilities District (City of Apache Junction, Arizona) (the “Apache Junction Water District”). Electrical service within the District is provided by Salt River Project. Telephone and cable service is provided by Mediacom and Cox Communications.

Schools. Elementary School: Desert Vista Elementary School (K-5), 3701 East Broadway Avenue, Apache Junction, Arizona 85119. Junior High School: Cactus Canyon Junior High School (6-8), 801 West Southern Avenue, Apache Junction, Arizona 85120. High School: Apache Junction High School, (9-12), 2525 South Ironwood Drive, Apache Junction, Arizona 85120. Within the City boundaries, there are three charter schools. A segment outside of the District is zoned for a future charter school.

Assessed Lots

The location of the parcels containing the Assessed Lots is shown on the map at page (x). Final zoning with respect to the Assessed Lots has been obtained and is consistent with the Developer’s current development plans for such lots; all such lots are also subject to final plats. While the lot sizes vary, there are typically three sizes/types of lots: 50’ wide x 125’ deep, 60’ wide x 135’ deep and 70’ wide x 135’ deep, with homes ranging in size from 2,000 to 5,000 square feet and with starting base prices of approximately \$400,000 to over \$600,000. A majority of the Assessed Lots have been sold to homebuilders (including landbanking entities) as indicated in Table 5. As of the date hereof, the Developer owns 253 of the 554 Assessed Lots. All the Assessed Lots are completed and ready for retail purchasers to enter into purchase and sale agreements for homes to be built.

Neither the current owners nor any subsequent owners of any Assessed Lot are obligated to pay the Special Assessments, and the assets of the current owners or any subsequent owners, other than the Assessed Lots, do not secure such payment. The Special Assessments are secured only by the Assessed Lots. The Special Assessments are not cross-defaulted. Any owner, current or subsequent, could choose to pay one Special Assessment and not another for Assessed Lots it owns.

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TABLE 5

Owner of Assessed Lots (a)(b)(c)	Location of Assessed Lots (c)	Number of Assessed Lots	Average Lot Size	Typical Lot Size (square feet)	Assessment Per Assessed Lot	Estimated Appraised Value Per Assessed Lot – As If Completed (d)	Estimated Appraised Value Per Assessed Lot – As Is (d)	Per Lot Value to Assessment Lien – As If Completed	Per Lot Value to Assessment Lien – As Is
Lennar (Ag Ehc II Len Multi State 2 LLC)	Lots 1-76	76	7,005	50' x 125'	\$3,500	\$108,500	\$92,000	31.0:1	26.3:1
	Lots 351-401, 406-432	79	8,100	60' x 135'	\$3,500	\$121,000	\$103,000	34.6:1	29.4:1
Developer	Lots 77-102, 107-114, 118-126, 130-158, 163-171	81	7,005	50' x 125'	\$3,500	\$108,500	\$92,000	31.0:1	26.3:1
	Lots 306-324, 330-335	35	8,100	60' x 135'	\$3,500	\$121,000	\$103,000	34.6:1	29.4:1
Pulte	Lots 103-106, 115-117, 127-129, 159-162	14	7,005	50' x 125'	\$3,500	\$108,500	\$92,000	31.0:1	26.3:1
	Lots 325-329, 346-350	10	8,100	60' x 135'	\$3,500	\$121,000	\$103,000	34.6:1	29.4:1
BRP Homes Arizona LLC (e)	Lots 172-255	84	7,005	50' x 125'	\$3,500	\$108,500	\$92,000	31.0:1	26.3:1
	Lots 256-305, 402-404	53	8,100	60' x 135'	\$3,500	\$121,000	\$103,000	34.6:1	29.4:1
DRP AZ 3 LLC (Weekley Homes LLC)	Lots 433-484	52	9,450	70' x 135'	\$3,500	\$129,000	\$109,500	36.9:1	31.3:1
Tri Pointe Homes Arizona 91 LLC	Lots 485-554	70	9,450	70' x 135'	\$3,500	\$129,000	\$109,500	36.9:1	31.3:1
TOTAL		554							

- (a) Some of these entities or their parent companies are subject to the informational reporting requirements of the Exchange Act and in accordance therewith file the Filings with the Commission. The Filings may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at www.sec.gov. **None of the District, the Underwriter, the Financial Advisor, Bond Counsel or counsel to the Underwriter or their agents or counsel have examined the information set forth in the Filings for accuracy or completeness, or examined similar information for entities or the parent company that are not subject to the same or similar informational reporting requirements.** See "RISK FACTORS – No Review of Filings."
- (b) Some of the Assessed Lots are subject to option agreements and purchase agreements whereby homebuilders may acquire Assessed Lots on an ongoing basis. Title to the Assessed Lots may transfer from the above-named parties to retail purchasers and homebuilders after the date of pricing the Bonds but prior to the closing of the Bonds. After pricing of the Bonds, the District will not update Table 5 to reflect any transfer of title. See "RISK FACTORS – Concentration of Ownership; Subsequent Transfer."
- (c) The location of these parcels is depicted on the maps at pages (viii) and (x).
- (d) See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – Special Assessment Amounts and Land Values" and, particularly, APPENDIX C - "EXECUTIVE SUMMARY OF APPRAISAL."
- (e) Under contract to purchase. The Developer is the current owner.

The table below reflects the Developer’s projection for sale of the Assessed Lots. See “LAND DEVELOPMENT – The District.”

TABLE 6

Calendar Year	Estimated Single-Family Lot Closings in Assessment Area No. 1	Estimated Total Single-Family Lot Closings in District (a)
2024	224	224
2025	330	505

(a) Total estimated closings in District include anticipated lots patented from ASLD.

There can be no assurance that build-out will occur at the rates indicated hereinabove or if any such sales will be consummated. Moreover, as the ownership of the Assessed Lots is subject to change, the development plans may not be continued by the subsequent owner if the Assessed Lots are sold; however development by any subsequent owner will be subject to the policies and requirements of the City. The projections above are also subject to the timely completion of the Public Infrastructure and the Other Infrastructure. The amounts due with respect to the Special Assessments are not personal obligations of the owners of the Assessed Lots; the Bonds will be secured solely by the Special Assessments. See “RISK FACTORS - General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences,” “- Concentration of Ownership; Subsequent Transfer,” “- Failure or Inability to Complete Proposed Development” and “- Completion of the Public Infrastructure and the Other Infrastructure.”

RISK FACTORS

Investment in the Bonds involves a significant degree of risk and is speculative in nature. INVESTMENT IN THE BONDS SHOULD BE UNDERTAKEN ONLY BY PERSONS WHOSE FINANCIAL RESOURCES ARE SUFFICIENT TO ENABLE THEM TO ASSUME SUCH RISK. THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE PRINCIPAL RISK FACTORS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS OFFICIAL STATEMENT, BEFORE MAKING AN INVESTMENT DECISION.

This discussion of risk factors is not, and is not intended to be, exhaustive, and such risk factors are not necessarily presented in the order of their magnitude.

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

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

Construction of houses on the lots within the District may be affected by changes in the income tax treatment of real property ownership; changes in national, regional and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds and homeowners insurance to buyers of the homes to be built in Blossom Rock, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; pandemics and epidemics; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; climate change; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the owners of such land. Land development within the District could also be affected

adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. (Any approvals needed in the future for the development must come from the City, over which the District has no control.)

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

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

THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE OWNERS OF THE ASSESSED LOTS AND ANY SUBSEQUENT OWNERS TO PAY THE SPECIAL ASSESSMENTS WHEN DUE. AS NOTED IN TABLE 5, OWNERSHIP OF THE ASSESSED LOTS IS CURRENTLY CONCENTRATED IN 5 ENTITIES. AS OF THE DATE HEREOF, THE DEVELOPER OWNS 253 OF THE 554 ASSESSED LOTS. ANY OR ALL OF THE FOREGOING FACTORS COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH ENTITIES TO PAY THE SPECIAL ASSESSMENTS ON ANY ONE OR ALL OF THE ASSESSED LOTS IT OWNS AND COULD GREATLY REDUCE THE VALUE OF THE ASSESSED LOTS IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. IN THAT EVENT, THERE COULD BE A DEFAULT IN THE PAYMENT OF THE BONDS.

The land encompassing the Assessed Lots is partially developed and, if any or all of the foregoing occurs, the undeveloped portion could continue as such. Vacant land provides less security to the holders of the Bonds should it be necessary for the District to foreclose due to nonpayment of the Special Assessments. An inability to develop the remaining land within such area will likely reduce the potential future diversity of ownership of the Assessed Lots.

Development, including the phase of the development plan for the Assessed Lots, requires obtaining a variety of governmental approvals and permits. Such approvals and permits are necessary to initiate construction and to allow the sale and occupancy of homes and to satisfy conditions included in the approvals and permits. There can be no assurance that all or any of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial consequences to the present owners of the Assessed Lots.

Concentration of Ownership; Subsequent Transfer

There can be no assurance that the Developer or, to the extent they are required to do so, the other owners of the Assessed Lots, have the financial capability to complete development within the Project. Because there can be no assurance that the sole member (or future members) the Developer will provide additional funds to the Developer, nor that bank loans will be available to the Developer sufficient to pay all costs attributable to the Project, the Developer may have to depend on revenues from sales of lots and parcels to generate cash flow and otherwise make funds available to pay all costs associated with the ownership, operation and development of the Project. There are similar risks with regard to the owners of the Assessed Lots. If the owners of the Assessed Lots have to depend on sales of lots and parcels to generate cash flow, there can be no assurance that sufficient funds will be available to such owners to pay all of its obligations and liabilities, including, without limitation, Special Assessments (including those relating to property then owned by such owners to be applied to pay the Bonds), as such obligations and liabilities become due and payable.

See Table 5 with regard to the concentration of ownership of property in, and obligation for payment of Special Assessments of, the Assessed Lots in certain entities. As of the date hereof, the Developer owns 253 of the 554 Assessed Lots. Certain of the owners in Table 5 are landbanking entities and will transfer title to homebuilders in accordance with option agreements. The Developer has entered into purchase and sale agreements for certain Assessed Lots with homebuilder entities and title to such Assessed Lots will be transferred from time to time in accordance with such agreements. The above-described conveyances of the Assessed Lots could potentially reduce the concentrated ownership presented in Table 5. After pricing of the Bonds, Table 5 will not be updated to reflect any transfer of title to the Assessed Lots to any retail purchaser, homebuilder or other party.

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

Failure or Inability to Complete Proposed Development

The development of each phase of Blossom Rock (including that encompassing the Assessed Lots) will be phased so that the Project will not be developed at one time. The funding for each phase of development of Blossom Rock will be provided by the Developer and other sources. The availability of funding for the completion of Blossom Rock will depend upon the demand for residential lots or units within Blossom Rock and local, regional and national market and economic conditions. No assurance is given that funding will be obtained for all phases of development of Blossom Rock, or, if obtained, will be in an amount sufficient to complete development of Blossom Rock. If satisfactory funding is unavailable, completion of the development of the balance of Blossom Rock may be delayed or suspended.

Public and private on-site and off-site improvements may increase the public and private debt for which the land within the District including the Assessed Lots is security. The burden of additional debt would be placed on the land within the District to complete the necessary improvements. See “RISK FACTORS – Direct and Overlapping Indebtedness and Taxes.”

Completion of the Public Infrastructure and the Other Infrastructure

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

Availability of Utilities

Water and sewer service to the District will be provided by the Apache Junction Water District and the Apache Junction Sewer District, respectively, as described under the subheading “LAND DEVELOPMENT - The District.” Failure or inability to complete proposed development, including development of necessary utilities, could affect adversely development of the land in the District, including the Assessed Lots. See “RISK FACTORS – Failure or Inability to Complete Proposed Development.” Certain utilities are to be developed by the Developer, D.R. Horton, the Apache Junction Water District and the Apache Junction Sewer District pursuant to certain development agreements including as described above. There can be no assurances that such utilities will be financed and developed.

Availability of Water

The Developer’s ability to develop the land within the District and to subdivide the real property included within the District is dependent upon the land having a 100-year assured water supply, as determined by the Arizona Department of Water Resources and applicable law. The Developer previously completed the subdivision of the real property comprising the Assessed Lots in accordance therewith. Potable water production and distribution for the Project are provided by the Apache Junction Water District, which has been designated as having a 100-year water supply based on the Apache Junction Water District’s available surface and ground water rights. If the Apache Junction Water District were to lose its 100-year water supply designation, however, the sale of subdivided land and the future subdivision of land within the Project could, and likely would, be halted until the situation could be resolved. Since January 2022, Arizona has operated under a drought contingency plan and has received a reduced allocation of Colorado River water for agricultural purposes through CAP. (See the final paragraph in footnote (b) to Table 1 for a description of CAP.) The Apache Junction Water District’s water supply comes from a variety of sources which

include Colorado River water received through an allocation from the CAP, groundwater, reclaimed water/treated effluent and replenished groundwater. Notwithstanding the foregoing, the drought conditions in Arizona are subject to change, and none of the Developer, the District, the Financial Advisor, the Underwriter, or their agents or counsel make any assurances as to future water availability or what impact, if any, the lack of water availability may have on the Developer's continued development of the Project, the valuation of the Assessed Lots or the willingness of the owners of the Assessed Lots to pay the installments of the Special Assessments.

Direct and Overlapping Indebtedness and Taxes

The ability of an owner of an Assessed Lot to pay the Special Assessment could be affected by the existence of other taxes and assessments imposed upon the property. The District and other public entities whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional ad valorem taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. (The existing public debt relating to the District is set forth in "OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES.") The lien created on the property within the District through the levy of ad valorem taxes would be superior and paramount to that for the Special Assessments securing the Bonds. The imposition of additional superior and paramount liens, or subordinate liens in the case of future special assessments, or for that matter for private financing, may reduce the ability or willingness of the landowners to pay the Special Assessments. In that event, there could be a default in the payment of the Bonds.

Appraised Value

The Appraisal was prepared for the purpose of providing the opinion of the Appraiser of "market value" of the Assessed Lots. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Special Assessment Amounts and Land Values - Appraisal Values" and APPENDIX C – "EXECUTIVE SUMMARY OF APPRAISAL."

Subject to the limitations, terms and conditions thereof, the Appraisal provides the opinion of the Appraiser of "market value" assuming, among other things, a cash transaction or one involving financing at market terms after a reasonable exposure time and satisfactory completion of master-plan infrastructure pertaining to the subject properties as described therein and summarized in the Executive Summary of Appraisal. Each of the Assessed Lots has an overall "as is" lot value to assessment lien ratio of not less than 26 to 1 as of the valuation date described in the Appraisal. The "as is" lot value to assessment lien ratio of each individual lot is different though. See "RISK FACTORS - Failure or Inability to Complete Proposed Development" and "- Completion of the Public Infrastructure and the Other Infrastructure."

There can be no assurance that the values described in the Appraisal are accurate or that the assumptions relied upon in the Appraisal were accurate. There can be no assurance that the values determined in the Appraisal are related in any way to future value or the value as of the date of any default under the Bonds. No assurance can be given that should any Assessed Lot become delinquent due to unpaid Special Assessments, and be foreclosed upon and sold for the amount of such delinquency, that any bid would be received or, if a bid is received, that such bid would be sufficient to pay such delinquent Special Assessment or would approximate the appraised value.

Non-Payment of Assessments

As discussed below, payments with respect to the Special Assessments could be insufficient to pay the Bonds due to nonpayment of the amounts levied.

In order to pay debt service on the Bonds, it is necessary that the Special Assessments be paid in a timely manner. Should a Special Assessment not be paid on time, the District has established the Reserve Fund in the amount of the Reserve Fund Requirement to pay debt service on the Bonds to the extent other funds are not available therefor.

Foreclosure proceedings will be instituted against any property with a delinquent Special Assessment in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Assessment to protect its security interest. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Foreclosure Process" for provisions which apply if foreclosure is required and which the District is required to follow in the event of delinquency in the payment of a Special Assessment.

If amounts are withdrawn from the Reserve Fund to make payments on the Bonds on account of a default in a Special Assessment, the amount received by the District from the corresponding Assessed Lot, after the deduction of the expenses of sale, will be paid over and credited to the Reserve Fund.

Bankruptcy and Foreclosure Delays

The payment of the Special Assessments and the ability of the District to foreclose the lien of delinquent, unpaid Special Assessments may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of Arizona relating to judicial foreclosure.

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 Assessments to become extinguished, bankruptcy of a property owner could result in a delay in foreclosure proceedings and could result in the possibility of a delinquent Special Assessment 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.

Depletion of Reserve Fund

Failure of the owners of the Assessed Lots to pay the Special Assessments when due could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resales of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of, and interest on, the Bonds if sufficient amounts are not available in the Reserve Fund.

Certificate of Purchase and Participation and Infrastructure Contract

On or about November 4, 2020 (the "Auction Date"), D.R. Horton was the successful bidder at ASLD Auction No. 53-120190 for certain land comprising approximately 2,783 acres, including the District land (the "District Land"), located within the planning boundaries of the City of Apache Junction, Pinal County, Arizona (the "Auction Land"). D.R. Horton made a down payment to ASLD of \$24,550,000 (approximately ten percent (10%) of the purchase price for the Auction Land and ASLD issued Certificate of Purchase No. 53-120190 (the "Certificate of Purchase") to D.R. Horton to evidence D.R. Horton's right to acquire the Auction Land) and obligation to pay the balance of the purchase price with interest over twenty-five (25) years as D.R. Horton obtains patents for parcels of the Auction Land. Horton entered into the Brookfield Purchase Agreement with Brookfield Homes (together with its successors and assigns), pursuant to which D.R. Horton agreed to sell, and Brookfield Homes agreed to purchase, approximately one-half (½) of the Auction Land ("the Brookfield Designated Property"). All the Brookfield Designated Property is District Land. D.R. Horton, at the instruction of the Developer pursuant to the Brookfield Purchase Agreement, patented the portion of the Auction Land that is the subject of the Bonds, but neither D.R. Horton nor the Developer has any obligation to pay interest or principal payments with respect to the Auction Land or patent additional Auction Land prior to the maturity date of the Certificate of Purchase, i.e., November 4, 2045. The Developer may, in its sole discretion, elect to discontinue development of the District Land or discontinue construction and sales of homes within Assessment Area No. 1. The Developer believes that D.R. Horton is currently in compliance with the provisions of the ASLD Documents.

Concurrently with the delivery of the Certificate of Purchase, ASLD and D.R. Horton entered into the Participation and Infrastructure Contract Regarding ASLD Sale No. 53-120190, as amended, (the "Participation Contract" and together with the Certificate of Purchase the "ASLD Documents"), with respect to the Auction Land and certain adjacent land that is owned by ASLD (the "Retained Property"). Pursuant to the conditions described in the Participation Contract, D.R. Horton agreed, among other things: (1) to zone and otherwise entitle the Auction Land and Retained Property in accordance with the terms of the Participation Contract, (2) following entitlement, to construct certain improvements for the benefit of the Auction Land and Retained Property, and (3) upon sales by D.R. Horton of all or portions of the Auction Land, to pay ASLD a participation payment in accordance with the terms of the Participation Contract. Among other things, the Participation Contract permitted D.R. Horton to cause all or portions of the Auction Property (prior to issuance of patents to D.R. Horton) to be included within the boundaries of the District in accordance with A.R.S. Sections 48-701, et seq., and to authorize the District to issue general obligation bonds to provide moneys for public infrastructure purposes, levy ad valorem property taxes for the payment of debt

service on the general obligation bonds and operation and maintenance expenses of the District and to levy assessments of the costs of public infrastructure purposes; provided, however, pursuant to A.R.S. Section 37-252, the portion of the Auction Land within the boundaries of the District still owned by ASLD is not subject to taxation until ASLD issues a patent to such Auction Land or until seven (7) years after the Auction Date, whichever occurs first.

ASLD can cancel the Certificate of Purchase and terminate the Participation Contract prior to the maturity date of the Certificate of Purchase under the following limited circumstances: (i) D.R. Horton's failure to pay a Monetary Obligation (as defined in the Participation Contract), including an Infrastructure Payment (as defined in the Participation Contract), (ii) D.R. Horton's failure to complete a Project Entitlement by the applicable Project Milestone (as defined in the Participation Contract), or (iii) D.R. Horton's failure to satisfy a Sales Hurdle (as defined in the Participation Contract). After the notice and cure period in the Participation Contract expires, ASLD must give notice within 60 days after the default of its intent to cancel the Certificate of Purchase. D.R. Horton has 60 days from the notice date to cure the default. If D.R. Horton does not cure the default, ASLD can then make a formal order canceling the Certificate of Purchase and D.R. Horton has 30 days to appeal. If no appeal is filed, the order becomes final. Upon cancellation of the Certificate of Purchase, the Participation Contract automatically terminates. On D.R. Horton's request, the ASLD Commissioner may extend the time for payment. In addition, pursuant to the terms of the Brookfield Purchase Agreement, the Developer has the right to cure events of default under the ASLD Documents should D.R. Horton fail to do so.

If the Certificate of Purchase is canceled and the Participation Contract is terminated, there is no assurance when or if ASLD will cause the remainder of the Auction Land within the boundaries of the District to be publicly sold at auction or that any developer will bid at any public auction of such land, in which case the portion of the District Land owned by ASLD may not be developed and no homes will be constructed on the portion of the land owned by ASLD until the land is acquired at a public auction by another developer. Furthermore, pursuant to a development agreement between the City, the District and D.R. Horton, in the event of the Developer's default and forfeiture of its interest under the Certificate of Purchase prior to D.R. Horton acquiring all of the land within the District boundaries in accordance with the Certificate of Purchase, D.R. Horton shall, if so directed by ASLD and without any consent or approval required from the City or the District, relinquish and assign to ASLD all right and interest of D.R. Horton with respect to such development agreement and the District.

If the Certificate of Purchase is cancelled and the Participation Contract is terminated, none of the District, the Financial Advisor, the Underwriter, D.R. Horton, the Developer or their agents or counsel are able to estimate or predict whether any development of the Project would continue, the financial impact on the District, the willingness of property owners within the District to pay property taxes or assessment installment payments, or on the valuation of land within the District, including, without limitation, the valuation of the Assessed Lots.

See "APPENDIX G—SUMMARY OF ASLD DOCUMENTS—SUMMARY OF CERTAIN PROVISIONS OF CERTIFICATE OF PURCHASE" and "—SUMMARY OF CERTAIN PROVISIONS OF PARTICIPATION CONTRACT."

Environmental Matters

Blossom Rock, including the Assessed Lots, is subject to risks arising out of environmental, archeological and biological considerations generally associated with the ownership of real estate and the construction of improvements located thereon. Such risks include, in general, potential liability arising as a result of any contamination later discovered on the site and the possibility of a decline in property values resulting from any contamination on the site or from the proximity of the site to other contaminated areas; or discovery of archeological artifacts located on the site or in the vicinity of the site; or discovery of endangered species of animals, plants or other habitat for endangered species. Liability may arise under a variety of federal, state or local laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Endangered Species Act and the National Historical Preservation Act.

Amendment of Documents Referenced

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

The development of the Assessed Lots is in the early phases. Circumstances could change as the development process continues and other issues are raised or new developers, homebuilders or owners become involved. Accordingly, the Developer anticipates that there may be significant changes to the agreements and contracts summarized in this Official Statement to address any such issues. Because the existing contracts and agreements are subject to change, the summaries of any contracts or agreements contained herein may not accurately reflect the future conditions relating to the development of the Assessed Lots and the District; however, the Developer does not presently anticipate that any modifications of the current contracts or agreements would materially affect the repayment of the Bonds.

Cancellation of Contracts

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

No Credit Rating

No credit rating for the Bonds has been sought, nor is it anticipated that any such rating will be applied for. There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Projections

Included in this Official Statement are various projections for lot closings, completion dates, completion costs and other items. The projections are based on assumptions concerning future events and should be viewed with an abundance of caution. Circumstances that may not yet be ascertainable, which the Developer believes to be significant and which the Developer cannot control may also exist. There are usually differences between projections and results because events frequently do not occur as expected, and those differences may be material. There can be no assurances that the various projections set forth in this Official Statement can be achieved.

Risk of Internal Revenue Service Audit

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

of noncompliance with any applicable Service position, regulation or ruling. No rulings have been or will be sought from the Service with respect to any federal tax matters relating to the issuance, purchase, ownership, receipt or accrual of interest upon, or disposition of the Bonds. See also “TAX EXEMPTION” herein.

No District Financial Statements

The District is not required to prepare financial statements and has not previously prepared financial statements.

No Review of Filings

As described in “LAND DEVELOPMENT” and in footnote (a) to Table 5, none of the District, the Underwriter, the Financial Advisor, Bond Counsel or counsel to the Underwriter have examined the information set forth in the Filings for accuracy or completeness, or examined similar information for entities or their parent companies that are not subject to same or similar informational requirements.

LITIGATION

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

TAX EXEMPTION

In General

The Code includes requirements which the District must continue to meet after the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes. The District’s failure to meet these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The District has covenanted in the Bond Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. Bond Counsel is further of the opinion that the interest on the Bonds is exempt from income taxation under the

laws of the State. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the State.

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

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

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

Original Issue Premium and Original Issue Discount

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

Certain of the Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined

on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity), or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

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

Changes in Federal and State Tax Law

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

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

Information Reporting and Backup Withholding

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

NO CREDIT RATING

The District has not made, and does not contemplate making, application to any rating agency for the assignment of a rating to the Bonds. See "RISK FACTORS - No Credit Rating."

FINANCIAL STATEMENTS

Audited financial statements are not, by State law or otherwise, required to be prepared of the activities or funds of the District. The Board has not, in the past, on its own accord, caused such statements to be prepared. See "RISK FACTORS – No District Financial Statements."

As indicated in Note 1.A. of the annual comprehensive financial report of the City for the most recent fiscal year (the “City ACFR”), for reporting purposes, the District is considered a “component unit” of the City and transactions of the District are included in the City ACFR as governmental type funds as if they were part of the City’s operations; provided, however, that the City ACFR expressly states the City has no liability for the District’s debt and the District is a separate political subdivision independent from the City.

The City ACFR presents the City and all its component units as the “reporting entity.” Included within the reporting entity is the District. The City ACFR is publicly available and is also available directly upon request from the District Treasurer.

Should the Board, in the future, cause financial statements to be prepared that are separately audited, the continuing disclosure undertaking of the District described under the heading “CONTINUING DISCLOSURE” requires such audited financial statements to be filed with the MSRB through EMMA.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereon are subject to the legal opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel. (See “TAX EXEMPTION” herein.) Signed copies of the opinion, dated and speaking only as of the date of delivery of the Bonds, will be delivered upon the initial delivery of the Bonds in substantially the form of APPENDIX B hereto. Certain legal matters will be passed upon for the District by Greenberg Traurig, LLP, as Special District Counsel, for the Underwriter by its counsel, Squire Patton Boggs (US) LLP, Phoenix, Arizona, and for the Developer by its counsel, Ballard Spahr LLP, Phoenix, Arizona. See “RELATIONSHIPS AMONG PARTIES.”

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

UNDERWRITING

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

CONTINUING DISCLOSURE

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

These covenants will be made in order to assist the Underwriter in complying with the Commission Rule 15c2-12(b)(5) (the “Rule”). A failure by the District to comply with these covenants must be reported in accordance

with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Should the District not comply with such covenants, it has covenanted to provide notice of such fact through EMMA. A failure to provide continuing disclosure may adversely affect the transferability and liquidity of the Bonds and their market price.

FINANCIAL ADVISOR

Piper Sandler & Co. (the “Financial Advisor”) has been engaged by the District for the purpose of advising the District as to certain debt service structuring matters specific to the Bonds and on certain matters relative to the District’s overall debt financing program. The Financial Advisor has assisted in the assembly and preparation of this Official Statement at the discretion and on behalf of the District. No person is entitled to rely on the Financial Advisor’s participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy and completeness of the information contained herein.

RELATIONSHIPS AMONG PARTIES

Bond Counsel has acted as counsel to the Underwriter and the Financial Advisor in other transactions underwritten by the Underwriter and as bond counsel in other transactions underwritten by the Underwriter and the Financial Advisor and may do so in the future. Squire Patton Boggs (US) LLP, counsel to the Underwriter, has acted as bond counsel in other transactions underwritten by the Underwriter and the Financial Advisor. Bond Counsel and counsel to the Underwriter, have also acted as bond counsel and/or counsel to the Underwriter and the Financial Advisor with respect to bonds issued by the City and other overlapping political subdivisions.

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

CONCLUDING STATEMENT

The summaries or descriptions contained herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such documents.

All projections, forecasts and other information in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or holders of any of the Bonds. The attached APPENDICES A through G are integral parts of this Official Statement and must be read together with all of the foregoing statements.

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

SUPERSTITION VISTAS COMMUNITY FACILITIES
DISTRICT NO. 2

By
Chairman, District Board

APPENDIX A

INFORMATION REGARDING THE CITY OF APACHE JUNCTION, ARIZONA

The following information is given as background information concerning the City. THE BONDS WILL NOT BE AN OBLIGATION OF THE CITY. The Bonds will be secured and payable only as described under “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” herein. The holders of the Bonds will have no right to payment except as described therein.

General

The City of Apache Junction, Arizona (the “City” or “Apache Junction”) is predominantly located in the northwestern portion of Pinal County, Arizona (the “County”) (with a small portion of the City’s area in Maricopa County, Arizona), and is adjacent to the City of Mesa and the Town of Queen Creek. Founded in 1950 and incorporated in 1978, today the City encompasses an area totaling 45.4 square miles (including the annexation described under “City Annexation and Expected Future Development” herein) and has a 2023 estimated population of 39,453. The following table contains the respective population statistics for the City, the County and the State.

POPULATION STATISTICS

	City of Apache Junction (a)	Pinal County	State of Arizona
2023 Estimate (b)	39,453	467,459	7,525,113
2020 Census	38,499	425,264	7,151,502
2010 Census	35,840	375,770	6,392,017
2000 Census	31,814	179,727	5,130,632
1990 Census	18,092	116,379	3,665,339

(a) Includes population portions that reside in both Maricopa County and Pinal County.

(b) Population estimate as of July 2023 (data released in December 2023) provided by Arizona Office of Economic Opportunity.

Source: Except as otherwise noted, the U.S. Census Bureau.

Municipal Government and Organization

The City operates under the city manager-council form of government. The six members of the City Council and the Mayor are all elected officials. The Mayor serves a two-year term and the members of the City Council serve staggered four-year terms. Functions of City government and operations are provided by a staff of approximately 300 employees. The City provides police protection to its residents. Water is provided by Arizona Water Company and Apache Junction Water District, electricity by Salt River Project, natural gas by Southwest Gas Corporation and trash and recycle services by Republic Services. Fire protection is provided by the Superstition Fire & Medical District.

Economy

The City's major economic sectors are comprised of manufacturing, non-manufacturing, government and commercial activities (including construction and commerce), agriculture and tourism.

The following table shows a comparison of the changes in annual average employment levels in the various non-agriculture sectors of the County for calendar years 2019 through 2023.

WAGE AND SALARY (NON-FARM) EMPLOYMENT (a) Pinal County, Arizona

	2023	2022	2021	2020	2019
Mining and construction	4,125	4,075	3,750	3,425	3,500
Manufacturing	8,275	6,650	4,650	3,925	3,950
Trade, transportation, and utilities	14,025	13,475	13,200	12,350	11,400
Information	450	450	375	450	600
Financial activities	2,000	2,000	1,825	1,600	1,500
Professional and business services	6,475	6,125	6,125	6,475	6,800
Education and health services	6,600	6,450	6,275	6,450	6,675
Leisure and hospitality	7,875	7,725	7,175	6,125	6,150
Other services	1,900	1,875	1,700	1,575	1,725
Government	19,825	19,250	18,950	19,150	19,925
Total	71,550	68,075	64,025	61,525	62,225

(a) Data is not seasonally adjusted. Data is revised from time to time.

Source: Arizona Office of Economic Opportunity, prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The table below illustrates the unemployment rate averages for the City, the County, the State and the United States.

UNEMPLOYMENT RATE AVERAGES (a)

Year	City of Apache Junction	Pinal County	State of Arizona	United States
2023	4.7%	4.1%	3.9%	3.7%
2022	4.6	3.9	3.8	3.7
2021	5.8	4.9	5.1	5.4
2020	9.5	7.4	7.8	8.1

(a) Data from Local Area Unemployment Statistics is revised from time to time.

Source: U.S. Bureau of Labor Statistics and the Arizona Office of Economic Opportunity (as of December 31, 2023).

Manufacturing and Non-Manufacturing Employment

The following table represents the largest employers in the City and includes a mixture of public sector and private sectors employers. The City's employment base has diversified in recent years as the City and region have grown.

MAJOR EMPLOYERS (a)

Employer	Description	Approximate Employees
Apache Junction Unified School District No. 43	Education	356
City of Apache Junction	Government	306
Wal-Mart	Retail	205
Superstition Fire and Medical District	Government	143
Horizon Health & Wellness	Healthcare	120
United States Postal Service	Government	98
Banner Health	Healthcare	85
Fry's Food and Drug	Retail	65
Western Industrial Resources Corporation	Construction	35

- (a) Data may not reflect possible recent layoffs or company restructuring. None of the City, the Financial Advisor, the Underwriter or their respective agents, counsels or consultants has examined the information set forth in the table above for accuracy or completeness, nor do they assume responsibility for the same.

Source: City of Apache Junction Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2023.

Transportation

Industry, business and residents benefit from the transportation network available in and near the City. Rail, air and highway facilities are developed throughout the area. The City is centrally located to several highway and freeway systems, including the major arterial in the area of the 202 Freeway and 24 Freeway. Thirty-four miles to the west is Interstate Highway 10, which joins the cities of Phoenix and Tucson. In addition to I-10, the City has access to US 60 and the recently extended State Route 24.

Located approximately 5 miles from the District is the Phoenix-Mesa gateway Airport. The City is a joint powers authority partner in operating the Phoenix-Mesa Gateway Airport (a designated foreign trade zone and military reuse zone) immediately southwest of the City. Phoenix-Mesa Gateway Airport, which opened in March 1994, is a former Air Force base that conducts over 278,000 operations per year serving a variety of corporate, cargo, general aviation and military aircraft. The City of Mesa established the joint powers authority for the operation of Phoenix-Mesa Gateway Airport with the City, the City of Phoenix (scheduled to withdraw in June 2024), the Town of Gilbert, the Town of Queen Creek as well as the Gila River Indian Community. The agreement calls for the City to contribute a portion of the operating costs of the Phoenix-Mesa Gateway Airport. Phoenix-Mesa Gateway Airport also serves as a reliever to Phoenix Sky Harbor International Airport. Phoenix-Mesa Gateway Airport is also developing as an international aerospace center with aircraft manufacturing, maintenance, modification testing and pilot training. More than 25 aviation companies currently operate at the facility. The airport has three runways, all of which are over 10,000 feet long. The adjacent Williams Educational Campus is a training center for aerospace, technical, general and occupational degree programs. Phoenix-Mesa Gateway Airport recently announced a planned expansion for the SkyBridge Arizona project which will be a first of its kind international air logistics hub that will allow for the shipment of high-value goods directly to Latin America through a bond facility incorporating Mexican customs on site at Phoenix-Mesa Gateway Airport. The project will be phased over a number of years and has the potential to create a significant economic impact and jobs for the region.

The City of Mesa's Falcon Field is located 12 miles from the City and currently has two runways, one 5,100 feet long and the other 3,800 feet long. Chandler Municipal Airport is located 24.5 miles southwest of the City's central business district and has two runways, one 4,400 feet long and the other 4,850 feet long. Phoenix Sky Harbor International Airport, located 29.5 miles from the City, provides local, regional and transcontinental air service.

Education

Arizona State University (“ASU”), whose main campus is located nearby in the City of Tempe, and is one of the major universities in the Southwest. The University’s total enrollment for 2022 exceeded 140,000 students and it has an estimated 5,000 faculty members among all four of its campus locations in Arizona (Main, Downtown, West and Polytechnic).

Maricopa County Community College District has facilities at the Mesa and Chandler-Gilbert locations. Mesa Community College is the largest of the ten colleges in the Maricopa County Community College District with two campuses and multiple locations. Mesa Community College has more than 195 degrees and certificates and serves more than 15,000 credit students each year. Chandler-Gilbert Community College has four campuses and more than 70 degree and certificate programs serving more than 13,000 credit students each year.

Central Arizona Community College’s main campus is located 53 miles from the City and offers comprehensive educational programs in-person and online. Superstition Mountain Campus (“SMC”) in the City offers a wide variety of academic, career training and personal enrichment classes.

The Apache Junction Unified School District No. 43 encompasses 217 square miles serving approximately 3,000 students in three elementary schools, one learning center, one junior high school, and one high school. The City is also served by three charter schools.

Construction

As reflected in the following table, the number of building permits and new housing starts has increased significantly during the period shown.

**City of Apache Junction
Building Permit Activity
(number of permits issued)**

Fiscal Year Ending	Residential (a)	Commercial	Other	Total
2023	494	20	1,028	1,542
2022	336	17	766	1,119
2021	312	31	286	629
2020	269	19	303	591
2019	220	14	227	461

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

Source: City of Apache Junction Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2023.

Tourism

The City is close to the Tonto National Forest, the Superstition Mountain range, and desert vistas and lakes leading to Roosevelt Dam. The Tonto National Forest is northeast of the City and it encompasses 2.8 million acres and is the largest of the six national forests in Arizona.

Retail

Transaction privilege (sales) tax collections is an indicator of overall economic activity within the City. The following table shows the history of taxable sales activity for the City.

TAXABLE SALES
City of Apache Junction, Arizona
(\$000s omitted)

Fiscal Year	Taxable Sales (a)
2023	\$1,040,915
2022	914,544
2021	803,645
2020	688,624
2019	630,104

(a) Includes retail food sales.

Source: City of Apache Junction Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2023.

APPENDIX B

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

[Closing Date]

Board of Directors
Superstition Vistas Community Facilities District No. 2
Apache Junction, Arizona

Re: Superstition Vistas Community Facilities District No. 2 (Apache Junction, Arizona)
Assessment Area No. 1 Special Assessment Bonds, Series 2024

We have acted as Bond Counsel in connection with the issuance by Superstition Vistas Community Facilities District No. 2 (hereinafter referred to as the “Issuer”) of bonds designated “Superstition Vistas Community Facilities District No. 2 (Apache Junction, Arizona) Assessment Area No. 1 Special Assessment Bonds, Series 2024” (hereinafter referred to as the “Bonds”). The Bonds are dated the date hereof, in the principal amount of \$1,939,000*, bear interest from the date hereof, payable on January 1, 2025*, and each July 1 and January 1 thereafter, at the per annum rates, and maturing on July 1 of each year, in the years and amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__	\$	%
20__		
20__		
20__		

The Bonds are subject to special optional, optional and mandatory redemption, in the manner and upon the terms and conditions set forth in Resolution No. 2024-004 SVCFD No. 2, adopted by the Board of Directors of the Issuer (the “District Board”) on April 16, 2024 (the “Bond Resolution”) and issued by the Issuer relative to the public infrastructure purposes (as such term is hereinafter defined) initiated pursuant to Resolution No. 2024-001 SVCFD No. 2, adopted by the District Board on March 19, 2024.

We have examined, and in rendering the opinions herein have relied upon, original or certified copies of the proceedings had in connection with issuance of the Bonds; certifications made by officers of the Issuer relating, among other things, to the expected use of proceeds of the sale of the Bonds and to certain other facts within the knowledge and control of such officers; representations made on behalf of Brookfield ASLD 8500 LLC, the developer of land within the boundaries of the Issuer (hereinafter referred to as the “Developer”), by officers thereof as to the plans thereof to develop and sell such land and such other material and matters of law as we deem relevant to the matters discussed hereinbelow. In such examination, we have assumed the authenticity of documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies and the accuracy of the statements contained in such certifications and representations. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings, certifications, representations, material and matters. We have also relied upon the Superstition Vistas Community Facilities District No. 2 Waiver and Development Agreement Pertaining To The To Be Formed Assessment Area No. 1, dated as of March 7, 2024 (the “Waiver Agreement”), by and among the Issuer, the Developer, Brookfield Homes Holdings LLC (“Brookfield Homes”) and other landowners and owners of interests in the residential lots

* Preliminary, subject to change.

subject to assessment, with respect to the hereinafter described assessments as well as opinions of counsel to the Developer dated the date hereof as to the enforceability of the Waiver Agreement.

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

1. The Bonds are valid and legally binding limited obligations of the Issuer, payable from the sources, and enforceable in accordance with the terms and conditions, described therein, except to the extent that the enforceability thereof and such provision of the security therefor may be affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity.

2. The Bonds are payable only out the funds pledged pursuant to the Bond Resolution, collected from unpaid installments of a special assessment imposed on certain land benefitted by certain "public infrastructure purposes" (as such term is defined in Title 48, Chapter 4, Article 6, Arizona Revised Statutes) and included within the boundaries of the Issuer, which assessment (a) is subject to waiver of certain rights with respect thereto as provided in (i) the Amended and Restated District Development, Financing Participation, Waiver and Intergovernmental Agreement, dated as of October 10, 2022, by and among the City of Apache Junction, Arizona (hereinafter referred to as the "City"), the Issuer, the Developer and Brookfield Homes, as amended by the First Amendment to Amended and Restated District Development, Financing Participation, Waiver and Intergovernmental Agreement, dated as of January 25, 2024 (as so amended, the "CFD Development Agreement"), by and among the City, the Issuer, the Developer and Brookfield Homes, which are assumed to be enforceable against the Developer, and (ii) the Waiver Agreement (together with the CFD Development Agreement, the "Development Agreement"), and (b) may be subject to reduction to the extent that such public infrastructure purposes are not completed or such land does not actually receive such benefits. The rights and obligations of the Issuer relating to collection of, and payment from, amounts due with respect to such assessment and the enforcement of remedies with regard to delinquent payments of installments of amounts due with respect to such assessment may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to judicial discretion in accordance with general principles of equity. If any land included within the boundaries of the Issuer is sold for nonpayment of the amounts due with respect to the assessment levied and assessed by the Issuer thereon, and if there is no purchaser for any such land offered for sale, neither the Issuer nor the City (which is the municipality which provided for the formation of the Issuer and within the boundaries of which the Issuer lies) are required to purchase such land, nor shall either under any circumstances do so.

3. Under existing statutes, regulations, rulings and court decisions, subject to the reliance and assumption stated in the last sentence of this paragraph, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. (We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.) The Code includes requirements which the Issuer and the Developer must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the Issuer or the Developer to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. Officers of the Issuer and the Developer have either indicated their compliance with, or covenanted to take the actions required by, applicable provisions of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. In rendering the opinion expressed hereinabove, we have relied on certifications of officers of the Issuer and the Developer with respect to certain matters necessary for, and have assumed continuing compliance with certain covenants of the Issuer and the Developer included in, respectively, the Bond Resolution and the Development Agreement (which are, as to their enforceability, subject to the same

exceptions described in paragraph 1 hereinabove) that must be met after the issuance of the Bonds in order that, interest on the Bonds not be included in gross income for federal tax purposes.

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

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

Respectfully submitted,

EXECUTIVE SUMMARY OF APPRAISAL

FORM OF CONTINUING DISCLOSURE UNDERTAKING

\$1,939,000*
SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2
(APACHE JUNCTION, ARIZONA)
ASSESSMENT AREA NO. 1
SPECIAL ASSESSMENT BONDS, SERIES 2024

(CUSIP BASE NUMBER _____)

This Undertaking is executed and delivered by Superstition Vistas Community Facilities District No. 2 (the “Issuer”), in connection with the issuance of the captioned municipal securities (the “Securities”) for the benefit of the owners of the Securities, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

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

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

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

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

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

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

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

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

Section 2. Contents and Provision of Annual Reports.

* Preliminary, subject to change.

(a) (i) **THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN MARCH 1 OF EACH YEAR, COMMENCING MARCH 1, 2025, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.**

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

(A) Information with respect to status of amounts of delinquencies and parcels delinquent (including amount of penalties and interest) and status of foreclosure sales by tax parcel identification number as such matters relate to the “Special Assessments” which are the subject of TABLE 5 of the Official Statement, dated _____, 2024; provided, however, if there are no such delinquencies nothing need be included in the Annual Report.

(B) Current balances in the funds held pursuant to the “Reserve Fund” described in the Official Statement.

(C) Audited financial statements for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. The Issuer does not currently obtain audited financial statements. **IF THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.**

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

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

Section 3. Reporting of Listed Events.

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

(i) Principal and interest payment delinquencies.

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

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

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

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

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

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

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

(ix) Defeasances.

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

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership or similar events of the obligated person, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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

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

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

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

(c) THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS THEREAFTER, FILE A NOTICE OF LISTED EVENT OF SUCH OCCURRENCE THROUGH EMMA.

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

Section 5. Amendment or Waiver.

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

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

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

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

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

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

Dated: [Closing Date]

SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT
NO. 2

By _____
Chairman, Board of Directors

BOOK-ENTRY-ONLY SYSTEM

This information concerning DTC and DTC's book-entry system has been obtained from DTC and the District takes no responsibility for the accuracy thereof. The Beneficial Owners (defined below) should confirm this information with DTC or the DTC participants.

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

Purchase of the Bonds under the DTC system must be made by or through Direct Participants, who 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 Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Registrar and Paying Agent 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).

Payment of principal of and interest on the Bonds, and the redemption price of any Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of and information funds and corresponding detail information from the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants and Indirect 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 Direct Participants and Indirect Participants and not of DTC (or its nominee) or the Bond Registrar and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds, and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, physical Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

**CERTAIN STATUTORY PROVISIONS APPLICABLE
TO THE FORECLOSURE PROCESS**

The following constitutes a summary of the “Foreclosure Process,” specifically portions of certain sections of the General Public Improvements and Improvement Bonds Law, Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended (the “Act”), deemed applicable to the Bonds pursuant to the Bond Resolution. The summaries do not purport to be complete and reference is hereby made to the full text of each section and the Bond Resolution.

Section 48-601. List of delinquent installments; publication of notice; sale of delinquent property

The representative of the District (the “Superintendent”) shall, within 20 days from the date of the delinquency, begin the publication of the list of the assessments on which any installment is delinquent. The Superintendent shall append to and publish with the list, a notice that unless each delinquent installment, together with the penalty and cost thereon, is paid, the whole amount of the assessment will be declared due by him, and the property upon which the assessment is a lien will be sold at public auction at a time and place to be specified in the notice. The publication shall be published and circulated in the District for a period of 10 days in a daily newspaper, or for two weeks in a weekly newspaper so published and circulated.

Before the date fixed for the sale or before the date to which the sale has been postponed, the Superintendent shall obtain a record search that shows the names and addresses of record of all lien claimants on, and other persons with an interest in, all lots or parcels on which an installment of the assessment is delinquent.

At least 10 days before the sale date or the date to which the sale has been postponed, the Superintendent shall serve by first-class mail a notice of the date and place of the sale or postponed sale to the owner and to each of the lien claimants and other interested persons. A final sale may not be held unless the Superintendent has provided notice by mail to all lien claimants discovered in the search of records.

The time of sale shall not be less than five days after the last publication, and the place of the sale shall be in or in front of the office of the Superintendent, or in front of the usual place of meeting of the City Council. The sale may be postponed.

Section 48-602. Payment after delinquency and before sale

At any time prior to the sale of any lot assessed, any person may pay the delinquent installment on the lot together with the penalty and costs then due, including the cost of advertising, whereupon the Superintendent shall note on his records the date of payment, the name of the person by or for whom it is paid and the amount paid.

Section 48-603. Sale procedure

On the day fixed for the sale, the Superintendent shall, at 10 o’clock a.m., or at any time thereafter to which the sale may be adjourned, begin the sale of the property advertised, commencing at the head of the list and continuing in the numerical order of lots, until all are sold. The Superintendent may postpone or continue the sale from day to day until all the property is sold. Each lot separately assessed shall be offered for sale separately. The sale shall be for the entire assessment including the delinquent installments, and the person who will take the least quantity of

land and then and there pay the amount of the assessment, penalty and costs due, including 50 cents to the Superintendent for a certificate of sale, shall become the purchaser.

The Superintendent shall record the date of the payment and mark the installment of principal or interest paid. In the event the owner does not pay the balance due on the installment or principal or interest, and the property is sold for the full amount of the assessment, the Superintendent shall refund to the owner all money received by him from the owner by way of partial payments.

Section 48-604. Certificate of sale; lien

After making the sale, the Superintendent shall execute, in duplicate, a certificate of sale stating the description of the property sold, the name of the owner thereof as given on the record of the assessment, that the property was sold for a delinquent assessment, specifying the improvement for which the assessment was made, the amount for which the property was sold, the date of sale, the name of the purchaser, and the time when the purchaser will be entitled to a deed. The Superintendent shall file one copy of the certificate in his office, and deliver the other to the purchaser.

On filing the copy of the certificate in the office of the Superintendent, the lien of the assessment shall vest in the purchaser, and is only divested by a redemption of the property, as provided in the Act.

The Superintendent shall also enter on the record of the assessment, opposite the description of each lot offered for sale, a description of the part thereof sold, the amount for which it was sold, the date of sale, and the name of the purchaser.

Section 48-605. Redemption

Redemption may be made by any party having an interest in the lot at any time before the execution and delivery of a deed therefor by paying to the Superintendent the amount for which the property was sold and 5% thereon if paid within three months from the date of sale, 10% if paid within six months, 12% if paid within nine months, 15% if paid within 12 months, or 20% if paid after 12 months. When redemption is made, the Superintendent shall note that fact on the duplicate certificate of sale in his office and deposit the amount paid with the District Treasurer, who shall credit the purchaser named in the certificate of sale with the amount, and pay the amount to such purchaser or his assignee, upon the surrender of the certificate of sale.

Section 48-606. Deed to purchaser; notice to owner; redemption after notice; effect of deed

After the expiration of 12 months from the date of sale, the Superintendent shall execute to the purchaser, or his assignee, on his application, if he has fully complied with Section 48-606 of the Act, a deed to the property sold in which shall be recited substantially the matters contained in the certificate, any assignment thereof, and that no person has redeemed the property. The Superintendent shall receive from the applicant for a deed, \$1.00 for making the deed.

The purchaser shall, at least 30 days before he applies for a deed, serve by first-class mail to the owner, all lien claimants of records, all persons of record with an interest in the property and, if occupied, the occupant of the property, a written notice that the property, giving the description, has been sold for a delinquent assessment, specifying the improvement for which the assessment was made, the amount for which it was sold, the amount necessary to redeem at the time of giving notice, the time when the purchaser or assignee will apply to the Superintendent for a deed and that, on issuance of the deed, all interest in the property, whether of record before or after the assessment lien, will be extinguished, except for the lien for general property taxes and prior special assessments. If the owner cannot be found after due diligence, the notice shall be posted in a

conspicuous place upon the property at least 30 days before the time stated therein of the application for a deed.

The applicant shall file with the Superintendent an affidavit showing that notice of the application has been given, and if the notice was not served on the owner personally, that due diligence was used to find the owner. If redemption of the property is made after the affidavit is filed, and more than 11 months from the date of sale, the person making redemption shall pay, in addition, for payment to the purchaser, \$3.00 for the service of notice and the making of the affidavit.

The deed of the Superintendent shall be prime facie evidence of the truth of all matters recited therein, and of the regularity of all proceedings prior to the execution thereof, and of title in the grantee. The deed of the Superintendent shall convey to the purchaser fee title to the lands described therein, free and clear of all interests, liens, claims and encumbrances whether of record before or after the assessment lien, except for the lien for general property taxes and prior special assessments.

Section 48-607. Disposition of sale proceeds

The Superintendent shall promptly pay to the District Treasurer all moneys collected by him from sales. The District Treasurer, on receipt thereof, shall place the moneys in the special fund hereby created for the payments of the bonds issued for the improvement.

SUMMARY OF ASLD DOCUMENTS

Summary of Key Provisions
Certificate of Purchase and Participation and Infrastructure Contract

The following are summaries of certain key provisions of the Certificate of Purchase No. 53-120190 (the “Certificate of Purchase”) and the Participation and Infrastructure Contract Regarding ASLD Sale No. 53-120190, as amended (the “Participation Contract”). These summaries do not purport to be complete or comprehensive and are qualified by the terms of such documents and the statutes referenced therein. Except as otherwise defined herein, all capitalized terms shall have the meanings ascribed thereto in the Certificate of Purchase or Participation Contract, as applicable. Copies of the Certificate of Purchase and Participation Contract are available upon request from: Stifel, Nicolaus & Company Incorporated at: 2801 E. Camelback Road, Suite 300, Phoenix, AZ 85016.

(a) **Certificate of Purchase**

On or around November 4, 2020, D. R. Horton, Inc. (“D.R. Horton”) successfully bid on certain land at the State Land Department of Arizona (the “ASLD”) Auction No. 53-120190. The land, located within the planning boundaries of the City of Apache Junction, Pinal County, Arizona (the “City”), spans approximately 2,783 acres (the “Auction Land”). D.R. Horton made a down payment of \$24,550,000 to ASLD, and in return, ASLD issued the Certificate of Purchase to D.R. Horton. The Certificate of Purchase entitles D.R. Horton to possess the Auction Land, maintain actions for injuries, or recover possession thereof. Pursuant to a Purchase Agreement and Partial Assignment and Delegation of Rights Under Participation Contract, dated March 14, 2022 (the “Brookfield Purchase Agreement”), by and between D.R. Horton and Brookfield Homes, D.R. Horton has assigned its rights under the ASLD Documents to Brookfield Homes with respect to approximately 1,400 of the Auction Land (the “Brookfield Designated Property”) and Brookfield Homes has assumed D.R. Horton’s obligations under the ASLD Documents relating to the Brookfield Designated Property. Brookfield Homes has assigned such rights and obligations relating to the Brookfield Designated Property to the Developer. Should D.R. Horton default under the Participation Agreement, then the Developer, pursuant to the terms of the Brookfield Purchase Agreement and the Mortgage, has the right to cure such event.

1. D.R. Horton Payment Obligations

The original purchase price under the Certificate of Purchase for the Auction Land was \$245,500,000. After paying the down payment, the principal balance of the Certificate of Purchase was \$220,950,000. The principal balance accrues interest at a fixed rate of 7% per annum and is payable as and when parcels are released from the Certificate of Purchase, and a patent is issued therefor. To the extent outstanding, the remaining principal balance due under the Certificate of Purchase is due and payable on November 4, 2045. The Certificate of Purchase also stipulates that D.R. Horton is responsible for maintaining and paying all taxes, assessments, and charges on the Auction Land and the water rights appurtenant to the Auction Land. Pursuant to the Brookfield Purchase Agreement the Developer is responsible for maintaining and paying all taxes, assessments, and charges on the Auction Land and the water rights appurtenant to Brookfield Designated Property.

2. Remedies

Arizona Revised Statute §37-247 details the remedies available to ASLD if D.R. Horton fails to make payment for Auction Land timely or otherwise defaults under the Certificate of Purchase. In the case of default, the statute requires ASLD to notify D.R. Horton of the default. If D.R. Horton fails to cure the default within 60 days of receiving notice, ASLD can elect to cancel the Certificate of Purchase, in which case the Auction Land that has not been patented would be returned to ASLD, and any money paid by D.R. Horton and Brookfield Homes to that point would be forfeited. D.R. Horton and Brookfield Homes would each retain any Auction Land that was previously patented. Pursuant to the Brookfield Purchase Agreement and a Mortgage and Memorandum of Purchase Agreement dated March 14, 2022, by and among D.R. Horton, as mortgagor, and Brookfield Homes, as mortgagee, (the “Mortgage”), Brookfield Homes (and the Developer as its assignee) has the right to cure defaults by D.R. Horton under the ASLD Documents.

(b) **Participation Contract**

Concurrently with the delivery of the Certificate of Purchase, ASLD and D.R. Horton entered into the Participation Contract, with respect to the Auction Land and 5,700 acres of adjacent land that is owned by ASLD (the

“Retained Property”). The Participation Contract, as amended, outlines the terms and conditions under which D.R. Horton is obligated to obtain entitlements for, develop, and sell the Auction Land and, where applicable, the Retained Property.

1. Entitlements

D.R. Horton is solely responsible for the design, planning, permitting, and construction, and all expenses thereof, with respect to the development of the Auction Land and certain portions of the Retained Property. Specifically, and among other requirements, D.R. Horton was required to negotiate and execute a pre-annexation and development agreement with the City regarding the Auction Land and the Retained Property that will cover annexation, infrastructure construction, entitlement processing, development rights, project administration, and development fees. If D.R. Horton fails to obtain all entitlements necessary or appropriate for the development of the Auction Land on or before the dates set forth in the Participation Contract, subject to limited exception, ASLD may terminate the Certificate of Purchase and terminate the Participation Contract (subject to notice and a 90 day cure period). While D.R. Horton is obligated to pursue entitlements for the Retained Property, failure to negotiate development agreements and obtain residential zoning for the Retained Property is not, by itself, a breach of the Participation Contract, provided D.R. Horton used commercially reasonable efforts to satisfy its obligations. D.R. Horton and City entered into that certain Procedural Pre-Annexation Agreement, dated June 16, 2021, and recorded as Document No. 2021-102467 in the Office of the Pinal County Recorder, and that certain Development Agreement for Superstition Vistas, dated October 28, 2021, and recorded as Document No. 2021-140530 in the Office of the Pinal County Recorder. All of D.R. Horton’s entitlement obligations have been satisfied.

2. Infrastructure

The Participation Contract requires D.R. Horton, to use commercially reasonable efforts to complete construction and installation of certain backbone infrastructure to support the first phase of the Auctioned Land (the “Phase 1 Infrastructure”) on or before November 4, 2025, subject to extension for up to 90 days under certain circumstances and additional extensions for good cause at the discretion of the ASLD Commissioner. The Phase 1 Infrastructure includes the Public Infrastructure and Other Infrastructure, as defined in the Official Statement; a potable water booster facility; and certain wastewater regional facilities. The Phase 1 Infrastructure will be completed at D.R. Horton’s sole cost and expense, subject to D.R. Horton’s right to receive development fees and to finance portions of the Phase 1 Infrastructure costs. If D.R. Horton fails to complete the Phase 1 Infrastructure on or before November 4, 2025, subject to extension for up to 90 days under certain circumstances and additional extensions for good cause at the discretion of the ASLD Commissioner, it must deposit \$500,000 (subject to \$50,000 yearly increases) into an escrow account every quarter as security for D.R. Horton’s performance. Upon completion of the Phase 1 Infrastructure, any amounts in the escrow will be paid to D.R. Horton. However, if ASLD terminates this Participation Contract for any reason other than a default by ASLD, any amounts in the escrow will be paid to ASLD. D.R. Horton has commenced construction of the Phase 1 Infrastructure described in the Official Statement and D.R. Horton currently anticipates that all of the Phase 1 Infrastructure will be completed by the end of 2024. Under the Brookfield Purchase Agreement Brookfield Homes is responsible for paying its share of the Phase 1 Infrastructure allocable to the Brookfield Designated Property. Pursuant to the Brookfield Purchase Agreement and the Mortgage, Brookfield Homes, as mortgagee, (the “Mortgage”), and the Developer as its assignee, have the right to cure defaults by D.R. Horton under the ASLD Documents. Brookfield is currently working on a proposed amendment to the Participation Contract that would permit the Developer to transact with its affiliated homebuilding operation in the same manner that it currently transacts business with other merchant builders (as it related to the participation payments to ASLD under the Participation Contract.

3. Sales Hurdles

The Participation Contract requires D.R. Horton to convey a minimum of 500 lots to one or more Merchant Homebuilders before November 4, 2028, and a total of 1,000 lots (including the original 500 lots) by November 4, 2031. If D.R. Horton fails to meet these sales requirements, ASLD can terminate the Participation Contract and the Certificate of Purchase (subject to notice and a 90-day cure period). However, ASLD may extend the time periods for D.R. Horton to meet its sales hurdles for good cause. Further, if the Phase 1 Infrastructure requirements are complete by the deadlines set forth in the Participation Contract, D.R. Horton is not required to meet the sales hurdles described above. D.R. Horton’s conveyance of a lot with a residence constructed thereon to a residential home buyer constitutes a conveyance for purpose of the sales requirement.

4. *Participation Payments*

In addition to the purchase price for the Auction Land, the Participation Contract requires D.R. Horton to pay ASLD 50% of the net project revenues (project revenues less project costs) earned from developing the Auction Land. The payments described in this section are due on March 31, 2022, and each March 31 thereafter. If the net project revenues are not adequate to pay all project costs, D.R. Horton must pay such project costs directly, subject to repayment from net project revenues at a later date. Pursuant to the Brookfield Purchase Agreement the Developer is obligated to pay the portion of such project costs and net revenues that are allocated to the Brookfield Designated Property.

5. *Remedies*

If D.R. Horton defaults on its obligations under the Participation Contract (subject to notice and cure periods), including failing to pay any monetary obligation or meet any obligation outlined in the contract, ASLD may seek actual damages, specific performance, or injunctive relief. However, ASLD can only terminate the Participation Contract and the Certificate of Purchase if D.R. Horton defaults on its payment obligations, fails to complete required project entitlements, or does not meet the sales requirements summarized above. If the Participation Contract is terminated, any money paid by D.R. Horton up to that point will be forfeited.