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**COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(PARK CIRCLE EAST/WEST)  
OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT  
SERIES 2024 SPECIAL TAX BONDS**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2024

Community Facilities District No. 2020-1 (Park Circle East/West)  
of the Valley Center Municipal Water District  
P.O. Box 67  
29300 Valley Center Rd.  
Valley Center, California 92082

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement with Community Facilities District No. 2020-1 (Park Circle East/West) of the Valley Center Municipal Water District (the “**Community Facilities District**”) which, upon acceptance, will be binding upon the Community Facilities District and the Underwriter. This offer is made subject to its acceptance by the Community Facilities District on the date hereof, and it is subject to withdrawal by the Underwriter upon notice delivered to the Community Facilities District at any time prior to the acceptance by the Community Facilities District. Capitalized terms that are used in this Bond Purchase Agreement and not otherwise defined herein shall have the respective meanings ascribed to them in the Fiscal Agent Agreement or the Official Statement (as each are hereinafter defined).

The Community Facilities District acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the Community Facilities District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Community Facilities District, (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the Community Facilities District or any other person or entity and has not assumed any advisory or fiduciary responsibility to the Community Facilities District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Community Facilities District on other matters), (iii) the only obligations the Underwriter has to the Community Facilities District with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”), and (iv) the Community Facilities District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The Community Facilities District acknowledges that it has previously provided the

Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB. The Community Facilities District acknowledges that it has engaged Fieldman, Rolapp & Associates, Inc. as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1), and will rely on the advice of Fieldman, Rolapp & Associates, Inc. (the “**Municipal Advisor**”).

1. Purchase, Sale and Delivery of the Bonds.

(a) Subject to the terms and conditions, and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter agrees to purchase from the Community Facilities District, and the Community Facilities District agrees to sell to the Underwriter, all (but not less than all) of the Community Facilities District No. 2020-1 (Park Circle East/West) of the Valley Center Municipal Water District Series 2024 Special Tax Bonds (the “**Bonds**”) in the aggregate principal amount specified in Exhibit A hereto. The Bonds shall be dated the Closing Date (as hereinafter defined), bear interest from said date (payable semiannually on March 1 and September 1 in each year, commencing March 1, 2025) at the rates per annum, and mature on the dates and in the amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be the amount specified as such in Exhibit A.

The Underwriter agrees to make a bona fide initial public offering of all of the Bonds in compliance with federal and state securities laws, at a price not in excess of the initial offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the offering of the Bonds, without any requirement of prior notice, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices. The Underwriter reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market; and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

(b) The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable and be subject to redemption as provided in, Resolution No. \_\_\_\_\_, adopted by the Board of Directors (the “**Board**”) of the Valley Center Municipal Water District (the “**Water District**”), acting as the legislative body of the Community Facilities District, on August 5, 2024 (the “**Resolution of Issuance**”), and a Fiscal Agent Agreement, dated as of August 1, 2024 (the “**Fiscal Agent Agreement**”), by and between the Community Facilities District and Zions Bancorporation, National Association, as the Fiscal Agent (the “**Fiscal Agent**”).

(c) The Underwriter has previously distributed to potential purchasers of the Bonds the Preliminary Official Statement for the Bonds, dated \_\_\_\_\_, 2024 (which Preliminary Official Statement, together with its cover page and all appendices thereto and as supplemented, is herein referred to as the “**Preliminary Official Statement**”). Such distribution of the Preliminary Official Statement by the Underwriter subsequent to its receipt of a certificate from the Community Facilities District deeming the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (“**Rule 15c2-12**”) is hereby ratified. The Community Facilities District hereby authorizes the Underwriter to use and distribute the final Official Statement for the Bonds dated the date hereof (including its cover page and all appendices thereto and as may be amended and supplemented from time to time pursuant to this Bond Purchase Agreement, the

“Official Statement”), the Fiscal Agent Agreement, the Continuing Disclosure Agreement (the “Community Facilities District Continuing Disclosure Agreement”), dated the Closing Date (defined below), by and between the Community Facilities District and Koppel & Gruber Public Finance, as dissemination agent (the “Dissemination Agent”), this Bond Purchase Agreement, any other documents or contracts to which the Community Facilities District is a party, and all information contained therein, and all other documents, certificates and statements furnished by the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement, in connection with the offer and sale of the Bonds by the Underwriter. The Community Facilities District authorizes the Underwriter to file, and the Underwriter hereby agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Marketplace Access website of the MSRB on or before the Closing Date and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and Rule 15c2-12. The Preliminary Official Statement and/or the Official Statement may be delivered and printed in a “designated electronic format” as defined in the MSRB’s Rule G-32 and as may be agreed to by the Community Facilities District and the Underwriter. The Community Facilities District confirms that it does not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form.

(d) At 9:00 A.M., California time, on \_\_\_\_\_, 2024, or at such earlier time or date as shall be agreed upon by the Underwriter and the Community Facilities District (such time and date being herein referred to as the “Closing Date”), the Community Facilities District will deliver (i) through the facilities of The Depository Trust Company FAST delivery system or to its agent, the Bonds in definitive form (all Bonds bearing the CUSIP numbers assigned to them printed thereon), duly executed by the officers of the Water District, acting on behalf of the Community Facilities District, as provided in the Fiscal Agent Agreement, and (ii) to the Underwriter, at the San Diego, California offices of Best Best & Krieger LLP (“Bond Counsel”), the documents herein mentioned; and the Underwriter shall accept such delivery and pay the purchase price of the Bonds in same day funds (such delivery and payment being herein referred to as the “Closing”). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds, and the specimen Bonds will be made available for checking by the Underwriter not less than 5 days prior to the Closing.

## 2. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Community Facilities District in establishing the issue price of the Bonds and shall execute and deliver to the Community Facilities District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Community Facilities District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Community Facilities District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Community Facilities District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test

has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Community Facilities District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Community Facilities District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Bond Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the Community Facilities District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Community Facilities District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

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

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

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

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

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

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

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

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

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

3. Representations, Warranties and Agreements of the Community Facilities District. The Community Facilities District represents, warrants and covenants to and agrees with the Underwriter that:

(a) The Water District was duly organized and is validly existing as a municipal water district under the Constitution and laws of the State of California.

(b) The Board has duly adopted a resolution forming the Community Facilities District (the “**Resolution of Formation**”) and an ordinance authorizing the levy of a special tax on the taxable property within Community Facilities District (the “**Special Tax Ordinance**”) and all other ordinances and resolutions referred to in the Resolution of Formation and the Special Tax Ordinance and has caused to be recorded in the real property records of the County of San Diego, a Notice of Special Tax Lien (the “**Notice of Special Tax Lien**”) (such ordinances and resolutions and Notice of Special Tax Lien being collectively referred to herein as the “**Formation Documents**”). Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended.

(c) The Community Facilities District is duly organized and validly existing as a community facilities district under the laws of the State of California and has, or at the Closing Date will have, as the case may be, full legal right, power and authority (i) to execute, deliver and perform its obligations under this Bond Purchase Agreement, the Community Facilities District Continuing Disclosure Agreement, and the Fiscal Agent Agreement and to carry out all transactions contemplated by each of such agreements, (ii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Fiscal Agent Agreement as provided herein, and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Fiscal Agent Agreement, this Bond Purchase Agreement, the Resolution of Issuance, and the Community Facilities District Continuing Disclosure Agreement, (collectively the “**Community Facilities District Documents**”) and the Official Statement.

(d) The Community Facilities District has complied, and at the Closing Date will be in compliance, in all material respects, with the Community Facilities District Documents; and any immaterial non-compliance therewith by the Community Facilities District will not impair the ability of the Community Facilities District to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the Community Facilities District Documents.

(e) The Board has duly and validly: (i) taken or caused to be taken, all proceedings necessary under the Constitution and laws of the State of California in order to form the Community Facilities District to authorize the levy of a special tax (the “**Special Tax**”) on the taxable property within Community Facilities District pursuant to the Rate and Method of Apportionment approved pursuant to the Resolution of Formation (the “**Rate and Method of Apportionment**”), to cause the Special Tax to be secured by a continuing lien on each parcel of Taxable Property (as defined in the Rate and Method of Apportionment) within the Community Facilities District and to authorize the sale and issuance of the Bonds, (ii) authorized and approved the execution and delivery of the Community Facilities District Documents, (iii) authorized the preparation and delivery of the Preliminary Official Statement and the Official Statement, and (iv) authorized and approved the performance by the Community Facilities District of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, each of the Community Facilities District Documents (including, without limitation, the collection of the Special Tax); and the Community Facilities District has been validly formed, the Special Tax has been approved and its levy authorized, and (assuming due authorization, execution and delivery by other parties thereto, where necessary) the Community Facilities District Documents and the Bonds will constitute the valid, legal and binding obligations of the Community Facilities District enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors’ rights in general and to the application of equitable principles.

(f) The Community Facilities District is not in breach of or default under any applicable law or administrative rule or regulation of the United States or the State of California, or of any department, division, agency or instrumentality of either of them, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the Bonds; and compliance with the provisions of each thereof will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the United States or the State of California, or of any department, division, agency or instrumentality of either of them, or under any applicable court or administrative decree or order, or a material breach of or default under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound.

(g) Except for compliance with the “Blue Sky” or other states securities law filings, as to which the Community Facilities District makes no representations, all approvals, consents, authorizations, elections and orders of or filings or registrations with any State governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Community Facilities District of its obligations hereunder, or under the Community Facilities District Documents or the Bonds, have been obtained and are in full force and effect.

(h) The Special Tax has been duly and lawfully authorized and may be levied and collected under the laws of the State of California; and, when levied, the Special Tax will constitute a valid and legally binding continuing lien on the properties on which it is levied in accordance with the Rate and Method of Apportionment.

(i) During the period ending on the 25th day after the End of the Underwriting Period (or such other period as may be agreed to by the Community Facilities District and the Underwriter), the Community Facilities District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the Community Facilities District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Community Facilities District or the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the Community Facilities District shall prepare and furnish to the Underwriter, at the Community Facilities District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the Community Facilities District and the Underwriter, as the Underwriter may reasonably request. The Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading. If such notification shall be given subsequent to the Closing, the Community Facilities District also shall furnish, or cause to be furnished, at its own expense, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

For purposes of the Bond Purchase Agreement, the term **"end of the underwriting period"** means the later of such time as (i) the Community Facilities District delivers the Bonds to the Underwriter, or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public; and, unless the Underwriter delivers written notice to the contrary to the Community Facilities District prior to the Closing specifying another date to be deemed the "end of the underwriting period," the "end of the underwriting period" shall be deemed to be the Closing Date.

(j) The Fiscal Agent Agreement creates a valid pledge of the Net Special Tax Revenues and the moneys in the Special Tax Fund established pursuant to the Fiscal Agent Agreement, including the investments thereof, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(k) Except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending or, to the knowledge of the Community Facilities District, threatened against the Community Facilities District (i) which would materially adversely affect the ability of the Community Facilities District to perform its obligations under the Community Facilities District Documents or the Bonds, or (ii) seeking to restrain or to enjoin: (A) the development of any of the land within the Community Facilities District, (B) the issuance, sale or delivery of the Bonds, (C) the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or (D) the collection or application of the Special Tax, or the pledge of the Net Special Tax Revenues, or in any way contesting or affecting the validity or enforceability of the Bonds, the Community Facilities District Documents, any tentative or final subdivision map or building permits applicable to property within The Community Facilities District, any other instruments relating to the development of any of the property within The Community Facilities District or any action contemplated by any of said documents, or (iii) in any way contesting the completeness or accuracy of the Preliminary Official



Statement or the Official Statement or the powers or authority of the Community Facilities District with respect to the Bonds, the Community Facilities District Documents, or any action of the Community Facilities District contemplated by any of said documents; nor is there any action pending or, to the knowledge of the Community Facilities District, threatened against the Community Facilities District which alleges that interest on the Bonds is not excludable from gross income for federal income tax purposes or is not exempt from California personal income taxation.

(l) The Community Facilities District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order for the Underwriter to qualify the Bonds for offer and sale under the “Blue Sky” or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided, however, the Community Facilities District shall not be required to register as a dealer or a broker of securities or to consent to service of process in connection with any Blue Sky filing.

(m) Any certificate signed by any authorized official of the Water District or the Community Facilities District authorized to do so shall be deemed a representation and warranty to the Underwriter as to the statements made therein.

(n) The Community Facilities District will apply the proceeds of the Bonds in accordance with the Fiscal Agent Agreement and as described in the Official Statement.

(o) The Preliminary Official Statement (except the portion thereof entitled “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT,” the information concerning the pricing of the Bonds supplied by the Underwriter, and the information relating to the DTC and its book-entry only system and the Underwriter, and in Appendix G, as to which no view need be expressed) was, as of the date thereof, and is, as of the date hereof, true, correct and complete in all material respects; and the Preliminary Official Statement (except the portion thereof mentioned above, as to which no view need be expressed) did not, as of the date thereof, and does not, as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(p) The Official Statement (except the portion thereof entitled “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT,” the information concerning the pricing of the Bonds supplied by the Underwriter, and the information relating to the DTC and its book-entry only system and the Underwriter, and in Appendix F, as to which no view need be expressed) is, as of the date thereof, and will be, as of the Closing Date, true, correct and complete in all material respects; and the Official Statement (except the portion thereof mentioned above, as to which no view need be expressed) does not, as of the date thereof, and will not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(q) Based on a review of its prior undertakings and except as otherwise disclosed in the Preliminary Official Statement and Official Statement, neither the Water District nor the Community Facilities District has failed to comply in any material respect with any continuing disclosure undertaking previously entered into pursuant to the provisions of Rule 15c2-12(b)(5) during the past five years.

(r) The Preliminary Official Statement heretofore delivered to the Underwriter has been deemed final by the Community Facilities District as of its date, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12. The Community Facilities District hereby covenants and agrees that, within seven (7) business days from the date hereof, or (upon reasonable written notice from the Underwriter) within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Community Facilities District shall cause a final printed form of the Official Statement to be delivered to the Underwriter in a quantity mutually agreed upon by the Underwriter and the Community Facilities District so that the Underwriter may comply with paragraph (b)(4) of Rule 15c2-12 and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board.

(s) Between the date of this Bond Purchase Agreement and the date of Closing, the Community Facilities District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter and the Community Facilities District shall not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the Net Special Tax Revenues or other assets, properties, funds or interests that will be pledged as security for the Bonds pursuant to the Community Facilities District Documents.

(t) The Community Facilities District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Bonds.

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

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

(b) The information contained in the Official Statement will, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant to Section 3(i) hereof, be true, correct and complete in all material respects and will not, as of the Closing Date or as of the date of any supplement or amendment thereto pursuant to Section 3(i) hereof, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(c) Between the date hereof and the Closing Date, the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement shall not have been materially

adversely affected, in the sole judgment of the Underwriter (evidenced by a written notice to the Community Facilities District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or the legislature of the State or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, any member of the President's cabinet, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department or the Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest that would be received by the holders of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

(2) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America, or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, any member of the President's cabinet, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under, or from the other requirements of, the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement is not exempt from qualification under, or from the other requirements of, the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, or of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws, rules or regulations as amended and then in effect;

(3) any amendment to the federal or California Constitution or action by any federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Community Facilities District, its property, income, securities (or interest thereon), the validity or enforceability of the Special Tax or the ability of the Community Facilities District to construct or acquire the improvements as contemplated by the Community Facilities District Documents or the Official Statement or the right of any owner of the property within The Community Facilities District to develop such property in the manner described in the Official Statement;

(4) any event occurring, or information becoming known, which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or the Official Statement, or results in the Preliminary Official Statement or the Official Statement containing any untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(5) there shall have occurred (i) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (ii) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(6) the declaration of a general banking moratorium by federal, State of New York or State of California authorities; or

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

(8) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(9) the entry of an order by a court of competent jurisdiction which enjoins or restrains the County from issuing permits, licenses or entitlements within the District or which order, in the reasonable opinion of the Underwriter, materially and adversely affects proposed development of property within The Community Facilities District; or

(10) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(11) there shall have been any material adverse change in the affairs of the Community Facilities District or Water District that in the Underwriter’s reasonable judgment will materially adversely affect the market for the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(12) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

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

(14) the commencement of any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body described in Section 3(k).

(d) On the Closing Date, the Underwriter shall have received counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) The Community Facilities District Documents, together with a certificate dated as of the Closing Date of the Board Secretary to the effect that each such documents are true, correct and complete copy of the ones duly approved by the Board;

(2) The Official Statement, duly executed by the Community Facilities District;

(3) The opinion of Bond Counsel, dated the Closing Date and addressed to the Community Facilities District, in substantially the form attached to the Preliminary Official Statement as Appendix C, and a reliance letter from such firm, dated the Closing Date and addressed to the Underwriter, to the effect that such approving opinion addressed to the Community Facilities District may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

(4) The supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, substantially in the form attached as Exhibit G hereto;

(5) The letter of Best Best & Krieger LLP, as disclosure counsel to the Community Facilities District (“**Disclosure Counsel**”) dated the Closing Date and addressed to the Community Facilities District and to the Underwriter, substantially in the form of Exhibit H hereto;

(6) An opinion, dated the Closing Date and addressed to the Underwriter, of General Counsel for the Water District, to the effect that (i) the Water District was duly organized and is validly existing as a municipal water district under the Constitution and laws of the State of California, (ii) the Board adopted the resolutions and ordinances forming the Community Facilities District therein, confirming the Special Tax, approving the Community Facilities District Documents, authorizing the sale and issuance of the Bonds and authorizing the preparation, execution and delivery of the Preliminary Official Statement and the Official Statement at meetings of the Board which were held pursuant to law, and (iii) after due inquiry, there are no actions, suits, proceedings, inquiries, or investigations, at law or in equity, before or by any court, governmental agency, public board, or body, pending or, to such counsel’s current actual knowledge, threatened against the Water District or the Community Facilities District, for which the Water District or the Community Facilities District has been served, to restrain or enjoin the issuance of the Bonds, the collection or application of the Special Tax, or the payment of principal of and interest on the Bonds, or in any way contesting the validity of the Bonds or the Community Facilities District Documents;

(7) An opinion, dated the Closing Date, from Stradling Yocca Carlson & Rauth LLP, San Francisco, California, counsel to the Underwriter, addressed to the Underwriter in form and substance acceptable to the Underwriter;

(8) A certificate, dated the Closing Date and signed by an authorized representative of the Community Facilities District, ratifying the use and distribution by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds and certifying that (i) the representations and warranties of the Community Facilities District contained in Section 3 hereof are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement; (ii) to the best of his or her knowledge, no event has occurred since the date of the Official Statement affecting the matters contained therein which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make the statements and information contained in the Official Statement not misleading in any material respect, and the Bonds and the Community Facilities District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement; and (iii) the Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Community Facilities District Documents at or prior to the Closing Date;

(9) A certificate, dated the Closing Date, of Koppel & Gruber Public Finance (the “**Special Tax Consultant**”) in the form attached hereto as Exhibit C;

(10) A certificate of the Fiscal Agent, dated the Closing Date, in form and substance acceptable to the Underwriter and the Community Facilities District, to the effect (i) the Fiscal Agent is duly organized and existing as a national banking association under the laws of the United States, having the full power and authority to enter into and perform its duties under the Fiscal Agent Agreement; (ii) the Fiscal Agent Agreement has been duly authorized, executed and delivered by the Fiscal Agent and the Bonds have been authenticated by a duly authorized representative of the Fiscal Agent in accordance with the Fiscal Agent Agreement; and (iii) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending against the Fiscal Agent or threatened against the Fiscal Agent which in the reasonable judgment of the Fiscal Agent would affect the existence of the Fiscal Agent or in any way contesting or affecting the validity or enforceability of the Fiscal Agent Agreement or contesting the powers of the Fiscal Agent or its authority to enter into and perform its obligation under the Fiscal Agent Agreement;

(11) An opinion, dated the Closing Date and addressed to the Underwriter and the Community Facilities District, of The Law Offices of Darren V. Roman, PLLC, counsel to the Fiscal Agent, in form and substance acceptable to the Community Facilities District and the Underwriter;

(12) A Letter of Representations, dated the date of the Preliminary Official Statement, from Touchstone Communities, a California limited liability company (the “**Master Developer**”), in the form attached hereto as Exhibit D, and a Closing Certificate, dated the Closing Date, from the Master Developer, in the form attached as Appendix A to Exhibit D hereto, with such changes as are approved by the Community Facilities District and the Underwriter;

(13) Letters of Representations, dated the date of the Preliminary Official Statement, from each of Beazer Homes Holdings, LLC, a Delaware limited liability company and subsidiary of Beazer Homes USA (“**Beazer**”), Shea Homes Limited Partnership, a California limited partnership (“**Shea**”), Meritage Homes of California, Inc., a California corporation (“**Meritage**”), KB Home Coastal, Inc., a California corporation (“**KB**”), Richmond American Homes of Maryland, Inc.,

a Maryland corporation and a subsidiary of M.D.C Holdings, Inc., a Delaware corporation (“**Richmond**”) and Park Circle Valley Center, LLC, a California limited liability company (“**Park Circle Valley Center**”), in the form attached hereto as Exhibit E, with such changes as are approved by the Community Facilities District and the Underwriter;

(14) Closing Certificates, dated the Closing Date, from each of Beazer, Shea, Meritage, KB, Richmond and Park Circle Valley Center in the form attached as Appendix A to Exhibit E hereto, with such changes as are approved by the Community Facilities District and the Underwriter;

(15) Reserved.

(16) Reserved.

(17) Reserved.

(18) Reserved.

(19) Negative assurance letters of counsel to each of Beazer, Shea, Meritage, KB, Richmond and Park Circle Valley Center, dated the Closing Date and addressed to the Community Facilities District and the Underwriter, in form and substance acceptable to the Community Facilities District and the Underwriter; and

(20) Specimen Bonds;

(21) Reserved.

(22) An arbitrage certificate in form satisfactory to Bond Counsel.

(23) Evidence that Internal Revenue Service Form 8038-G has been executed by the Water District on behalf of the Community Facilities District and will be filed with the Internal Revenue Service; and

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

If the Community Facilities District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Community Facilities District shall be under any further obligation hereunder, except that the respective obligations of the Community Facilities District and the Underwriter set forth in Section 6 hereof shall continue in full force and effect.

5. Conditions of the Community Facilities District's Obligations. The Community Facilities District's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder, and are also subject to the following conditions:

(a) As of the Closing Date, no litigation shall be pending or, to the knowledge of the duly authorized officer of the Community Facilities District executing the certificate referred to in Section 4(d)(8) hereof, threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds or the Community Facilities District Documents or the existence or powers of the Community Facilities District; and

(b) As of the Closing Date, the Community Facilities District shall receive the opinions referred to in Section 4(d)(3), (4) and (5) hereof.

6. Expenses. Whether or not the Bonds are delivered to the Underwriter as set forth herein:

(a) The Underwriter shall be under no obligation to pay, and the Community Facilities District shall pay or cause to be paid (out of any legally available funds of the Community Facilities District) all expenses incident to the performance of the Community Facilities District's obligations hereunder, including, but not limited to, the cost of preparing and delivering the Bonds to DTC, the cost of preparation, printing, distributing and delivering of the Fiscal Agent Agreement, the Preliminary Official Statement, the Official Statement and all other agreements and documents contemplated hereby (and drafts of any thereof) in such reasonable quantities as requested by the Underwriter; and the fees and disbursements of the Fiscal Agent, Bond Counsel, Disclosure Counsel and any financial advisors, special tax consultants, accountants, engineers or any other experts or consultants the Community Facilities District retained in connection with the Bonds; and

(b) The Community Facilities District shall be under no obligation to pay, and the Underwriter shall pay, any fees of the California Debt and Investment Advisory Commission, the cost of preparation of any "Blue Sky" or legal investment memoranda and this Bond Purchase Agreement; expenses to qualify the Bonds for sale under any "Blue Sky" or other state securities laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds (except those specifically enumerated in paragraph (a) of this section), including the fees and disbursements of its counsel and any advertising expenses. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

(c) Notices. Any notice or other communication to be given to the Community Facilities District under this Bond Purchase Agreement may be given by delivering the same in writing to the Community Facilities District in care of the Valley Center Municipal Water District at the address shown on page one hereof; and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 2121 Avenue of the Stars, Suite 2150 Los Angeles, CA 90067, Attention: Sara Oberlies Brown, Managing Director.

(d) Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Community Facilities District and the Underwriter (including its successors or assigns), and no other person shall acquire or have any right hereunder or by virtue hereof.



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

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

8. No Prior Agreements. This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Community Facilities District.

9. Governing Law. This Bond Purchase Agreement shall be governed by the laws of the State of California.

10. Counterparts. This Bond Purchase Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

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

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

**COMMUNITY FACILITIES DISTRICT NO.  
2020-1 (PARK CIRCLE EAST/WEST) OF THE  
VALLEY CENTER MUNICIPAL WATER  
DISTRICT**

By: \_\_\_\_\_  
Authorized Officer

Time of Execution: \_\_\_\_\_ p.m. California time

*[EXECUTION PAGE OF BOND PURCHASE AGREEMENT  
2024 SPECIAL TAX BONDS]*

**EXHIBIT A**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_  
**COMMUNITY FACILITIES DISTRICT NO. 2020-1 (PARK CIRCLE EAST/WEST) OF  
THE VALLEY CENTER MUNICIPAL WATER DISTRICT SERIES 2024 SPECIAL TAX  
BONDS**

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule</u>
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\_\_\_\_\_  
(T) Term Bond.

(C) Priced to the optional redemption date of September 1, 20\_\_ at \_\_\_\_%.

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

The purchase price of the Bonds shall be \$\_\_\_\_\_, which is the principal amount of \$\_\_\_\_\_, plus net original issue premium of \$\_\_\_\_\_ and less Underwriter's discount of \$\_\_\_\_\_.

## **EXHIBIT B**

\$ \_\_\_\_\_  
**COMMUNITY FACILITIES DISTRICT NO. 2020-1 (PARK CIRCLE EAST/WEST) OF  
THE VALLEY CENTER MUNICIPAL WATER DISTRICT SERIES 2024 SPECIAL TAX  
BONDS**

### **FORM OF ISSUE PRICE CERTIFICATE**

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

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

2. ***Defined Terms.***

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

(b) ***Issuer*** means Community Facilities District No. 2020-1 (Park Circle East/West) of the Valley Center Municipal Water District.

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

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

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Best Best & Krieger LLP,

in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

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

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

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

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

Dated: \_\_\_\_\_, 2024

**SCHEDULE A**  
**SALE PRICES OF THE GENERAL RULE MATURITIES**  
*(Attached)*

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)]*

**EXHIBIT C**

\$ \_\_\_\_\_  
**COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(PARK CIRCLE EAST/WEST)  
OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT  
SERIES 2024 SPECIAL TAX BONDS**

**CERTIFICATE OF SPECIAL TAX CONSULTANT**

Koppel & Gruber Public Finance (“**Special Tax Consultant**”), San Marcos, California was retained as Special Tax Consultant and assisted in the preparation of and has reviewed the Rate and Method of Apportionment for Community Facilities District No. 2020-1 (Park Circle East/West) of the Valley Center Municipal Water District (the “**Rate and Method**”) set forth in Appendix A to the Official Statement dated \_\_\_\_\_, 2024 (the “**Official Statement**”) relating to the above-referenced bonds (the “**Bonds**”) being issued by Community Facilities District No. 2020-1 (Park Circle East/West) of the Valley Center Municipal Water District (the “**Community Facilities District**”). Based upon the Special Tax Consultant’s review of the Official Statement and such other documents as it deems relevant in the circumstances, the Special Tax Consultant hereby certifies that the Special Tax, if levied in accordance with the Rate and Method, will generate, as of the Closing Date at least 110% of the gross annual debt service on the Bonds and CFD Portion of Assessment Indebtedness (as defined in the Fiscal Agent Agreement) based on the status of Developed Property, Undeveloped Property and Provisionally Undeveloped Property (as defined in the Rate and Method) as of \_\_\_\_\_ 1, 2024, plus the Administrative Expenses, provided that the annual debt service figures on the attached debt service schedule which were relied upon by Special Tax Consultant, are substantially true and correct.

Although the Special Tax if collected in the maximum amounts on Developed Property, Undeveloped Property and Provisionally Undeveloped Property as of \_\_\_\_\_ 1, 2024, will generate at least 110% of the gross annual debt service payable with respect to the Bonds and CFD Portion of Assessment Indebtedness (as defined in the Fiscal Agent Agreement), plus the Administrative Expenses Requirement, each year, no representation is made herein as to actual amounts that will be collected in future years.

All information with respect to the Rate and Method and all other information sourced to the Special Tax Consultant in the Official Statement is true and correct as of the date of the Official Statement and as of the date hereof, and a true and correct copy of the Rate and Method is attached to the Official Statement as Appendix A.

Dated: \_\_\_\_\_, 2024

KOPPEL & GRUBER PUBLIC FINANCE

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



**EXHIBIT D**

\$ \_\_\_\_\_  
**COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(PARK CIRCLE EAST/WEST)  
OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT  
SERIES 2024 SPECIAL TAX BONDS**

**LETTER OF REPRESENTATIONS OF TOUCHSTONE COMMUNITIES**

\_\_\_\_\_, 2024

Valley Center Municipal Water District  
P.O. Box 67  
29300 Valley Center Rd.  
Valley Center, California 92082

Stifel, Nicolaus & Company, Incorporated  
2121 Avenue of the Stars, Suite 2150  
Los Angeles, California 90067

Reference is made to the Community Facilities District No. 2020-1 (Park Circle East/West) of the Valley Center Municipal Water District Series 2024 Special Tax Bonds (the “**Bonds**”) and to the Bond Purchase Agreement to be entered into in connection therewith (the “**Bond Purchase Agreement**”). Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Bond Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Touchstone Communities, a California limited liability company, who is an affiliate of VTL Valley Center Ranch, LLC and VTC Orchard Run, LLC (the “**Master Developer**”), and the undersigned, on behalf of the Master Developer, further certifies as follows:

1. The Master Developer is duly organized and validly existing under the laws of the State of California, and has all requisite right, power and authority (i) to execute and deliver this Letter of Representations of Touchstone Communities (the “**Letter of Representations**”), and (ii) to develop its property in Community Facilities District No. 2020-1 (Park Circle East/West) of the Valley Center Municipal Water District (the “**Community Facilities District**”) as described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, title to a certain portion of the property within the Community Facilities District is held in the name of the Master Developer (herein, the “**Property**”). The undersigned, on behalf of the Master Developer, makes the representations herein with respect to all such Property.

3. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public

board or body is pending against the Master Developer (with proper service of process to the Master Developer having been accomplished) or, to the Actual Knowledge of the Undersigned,<sup>1</sup> is pending against any current Affiliate<sup>2</sup> (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Master Developer, or any such Affiliate (a) to restrain or enjoin the collection of special taxes levied on the Property by the Community Facilities District (the “**Special Taxes**”) or other sums pledged or to be pledged to pay the principal of and interest on the Bonds, (b) to restrain or enjoin the development of the Property as described in the Preliminary Official Statement, (c) in any way contesting or affecting the validity of the Special Taxes, or (d) which is reasonably likely to materially and adversely affect the Master Developer’s ability to develop and sell the Property as described in the Preliminary Official Statement or to pay the Special Taxes due with respect to the Property (to the extent the responsibility of the Master Developer) prior to delinquency.

4. As of the date of the Preliminary Official Statement, the information contained therein solely with respect to the Master Developer, its Affiliates, ownership of the Property, the Developer’s development plan, the Master Developer’s financing plan, the Master Developer’s

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<sup>1</sup> “**Actual Knowledge of the Undersigned**” means the knowledge that the individual signing on behalf of the Master Developer currently has as of the date of this Letter of Representations or has obtained through (i) interviews with such current officers and responsible employees of the Master Developer and its Affiliates as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents that were reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Master Developer’s current business and operations. Individuals who are no longer employees of the Master Developer and its Affiliates have not been contacted.

<sup>2</sup> “**Affiliate**” means, with respect to the Master Developer, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Master Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e., information relevant to (a) the Master Developer’s development plans with respect to the Property and ability to pay its Special Taxes on the Property (to the extent the responsibility of the Master Developer) prior to delinquency, or (b) such Person’s assets or funds that would materially affect the Developer’s ability to develop the Property as described in the Preliminary Official Statement or to pay its Special Taxes on the Property). “**Person**” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term “**control**” (including the terms “**controlling**,” “**controlled by**” or “**under common control with**”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

lenders, if any, and contractual arrangements of the Master Developer or any Affiliates (including, if material to the Master Developer's development plan or the Master Developer's financing plan, other loans of such Affiliates) as set forth under the sections of the Preliminary Official Statement captioned "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT" and "PARK CIRCLE DEVELOPMENT" is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. Except as described in the Preliminary Official Statement, there are no material loans outstanding and unpaid and no material lines of credit of the Master Developer or its Affiliates, that are secured by an interest in the Property. Neither the Master Developer nor, to the Actual Knowledge of the Undersigned, any of its Affiliates is currently in material default on any loans, lines of credit or other obligation related to the development of the Property or any other project which default is reasonably likely to materially and adversely affect the Master Developer's ability to develop the Property as described in the Preliminary Official Statement or to pay the Special Taxes due with respect to the Property (to the extent the responsibility of the Master Developer) prior to delinquency.

6. To the Actual Knowledge of the Undersigned, the Master Developer is not aware that any of the Property has a current liability with respect to the presence of a substance presently classified as hazardous under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 or applicable California law or is adversely affected by the presence of endangered or threatened species or habitat for endangered or threatened species.

7. The Master Developer consents to the issuance of the Bonds. The Master Developer acknowledges and agrees that the proceeds of the Bonds will be used as described in the Preliminary Official Statement.

8. The Master Developer intends to comply with the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property, or portions thereof.

9. To the Actual Knowledge of the Undersigned, the Master Developer is able to pay its bills as they become due and no legal proceedings are pending against the Master Developer (with proper service of process having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in which the Master Developer may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

10. To the Actual Knowledge of the Undersigned, Affiliates of the Master Developer are able to pay their bills as they become due and no legal proceedings are pending against any Affiliate of the Master Developer (with proper service of process having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in which the Affiliates of the Master Developer may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debt or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the

Federal Deposit Insurance Corporation which could have a materially adverse impact on the ability of the Master Developer to develop its Property as described in the Preliminary Official Statement, or to pay the Special Taxes or *ad valorem* tax obligations with respect to the portion of the Property then owned by the Master Developer (to the extent the responsibility of the Master Developer) prior to delinquency.

11. To the Actual Knowledge of the Undersigned, during the last five years, neither the Master Developer nor any current Affiliate has, during the period of its ownership, been delinquent to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property included within the boundaries of a community facilities district or an assessment district in California that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being commenced against the Master Developer or its Affiliates in a court of law.

12. To the Actual Knowledge of the Undersigned, there are no claims, disputes, suits, actions or contingent liabilities by and among the Master Developer, its Affiliates or any contractors working on the development of the Property which is reasonably likely to materially and adversely affect the development of the Property as described in the Preliminary Official Statement, or the payment of the Special Taxes due with respect to the Property (to the extent the responsibility of the Master Developer) prior to delinquency.

13. Based upon the current development plans, the Master Developer presently anticipates that it will have sufficient funds to develop the Property as described in the Preliminary Official Statement and to pay Special Taxes levied against the Property (to the extent the responsibility of the Master Developer) prior to delinquency and does not anticipate that the Community Facilities District will be required to resort to a draw on the Reserve Fund for payment of principal of or interest on the Bonds due to the Master Developer's nonpayment of Special Taxes. However, neither the Master Developer nor any of its Affiliates are obligated to make any additional capital contribution or loan to the Master Developer at any time, and the Master Developer reserves the right to change its development plans and financing plans for the Property at any time without notice.

14. If between the date hereof and the Closing Date any event relating to or affecting the Master Developer, its Affiliates, ownership of the Property, the Master Developer's development plan, the Master Developer's financing plan, the Master Developer's lenders, if any, and contractual arrangements of the Master Developer or any Affiliates (including, if material to the Master Developer's development plan or the Master Developer's financing plan, other loans of such Affiliates) shall occur of which the Master Developer has actual knowledge which would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Master Developer shall notify the Valley Center Municipal Water District (the "**Water District**").

15. The Master Developer agrees to deliver a Closing Certificate of Touchstone Communities dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached hereto as Appendix A (the "**Closing Certificate**"). If any event related to or affecting the Master Developer, its Affiliates, or the ownership, development, or sale

of the Property occurs, as a result of which it is necessary to modify the Closing Certificate, the Master Developer agrees to deliver a new Closing Certificate revised to reflect such event.

16. The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of the Master Developer and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Master Developer.

TOUCHSTONE COMMUNITIES,  
a California limited liability company

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

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

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

APPENDIX A

FORM OF CLOSING CERTIFICATE

\$ \_\_\_\_\_  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(PARK CIRCLE EAST/WEST)  
OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT  
SERIES 2024 SPECIAL TAX BONDS

CLOSING CERTIFICATE OF TOUCHSTONE COMMUNITIES

\_\_\_\_\_, 2024

Valley Center Municipal Water District.  
P.O. Box 67  
29300 Valley Center Rd.  
Valley Center, California 92082

Stifel, Nicolaus & Company, Incorporated  
2121 Avenue of the Stars, Suite 2150  
Los Angeles, California 90067

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the “**Bonds**”) and to the Bond Purchase Agreement, dated \_\_\_\_\_, 2024 (the “**Bond Purchase Agreement**”), entered into in connection therewith. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations of Touchstone Communities, dated \_\_\_\_\_, 2024 (the “**Letter of Representations**”), delivered by Touchstone Communities, a California limited liability company, who is an affiliate of VTL Valley Center Ranch, LLC and VTC Orchard Run, LLC (the “**Master Developer**”).

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to execute this Closing Certificate of Touchstone Communities (the “**Closing Certificate**”) as an authorized officer or representative of the Master Developer, and the undersigned, on behalf of the Master Developer, further certifies as follows:

1. The Master Developer has received the final Official Statement dated \_\_\_\_\_, 2024 relating to the Bonds (the “**Official Statement**”). Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) relating to the Master Developer, its Affiliates, ownership of the Property, the Master Developer's development plan, the Master Developer's financing plan, the Master Developer's lenders, if any, and contractual arrangements of the Master Developer or any Affiliates (including, if material to the Master Developer's development plan or the Master Developer's financing plan, other loans of such Affiliates), which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the **"End of the Underwriting Period"** as defined in the Bond Purchase Agreement (provided the Master Developer may assume the End of the Underwriting Period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Master Developer, its Affiliates, ownership of the Property, the Master Developer's development plan, the Master Developer's financing plan, the Master Developer's lenders, if any, and contractual arrangements of the Master Developer or any Affiliates (including, if material to the Master Developer's development plan or the Master Developer's financing plan, other loans of such Affiliates) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the Water District or the Community Facilities District, to amend or supplement the Official Statement in order to make the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) not misleading in the light of the circumstances existing at the time it was delivered to a purchaser, the Master Developer shall reasonably cooperate with the Water District, the Community Facilities District and the Underwriter in the preparation and publication of a supplement or amendment to the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations, in form and substance satisfactory to the Underwriter and counsel to the Water District and the Community Facilities District which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of the Master Developer and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Master Developer.

TOUCHSTONE COMMUNITIES  
a California limited liability company

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

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

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

**EXHIBIT E**

\$ \_\_\_\_\_  
**COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(PARK CIRCLE EAST/WEST)  
OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT  
SERIES 2024 SPECIAL TAX BONDS**

**FORM OF MERCHANT BUILDER LETTER OF REPRESENTATIONS**

\_\_\_\_\_, 2024

Valley Center Municipal Water District  
P.O. Box 67  
29300 Valley Center Rd.  
Valley Center, California 92082

Stifel, Nicolaus & Company, Incorporated  
2121 Avenue of the Stars, Suite 2150  
Los Angeles, California 90067

Reference is made to the Community Facilities District No. 2020-1 (Park Circle East/West) of the Valley Center Municipal Water District Series 2024 Special Tax Bonds (the “**Bonds**”) and to the Bond Purchase Agreement to be entered into in connection therewith (the “Bond Purchase Agreement”). Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Bond Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of [MERCHANT BUILDER], a \_\_\_\_\_ (the “Developer”), and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is duly organized and validly existing under the laws of the State of \_\_\_\_\_, and has all requisite right, power and authority (i) to execute and deliver this Letter of Representations (the “Letter of Representations”), and (ii) to develop its property in Community Facilities District No. 2020-1 (Park Circle East/West) of the Valley Center Municipal Water District (the “Community Facilities District”) as described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, title to a certain portion of the property within the Community Facilities District is held in the name of the Developer (herein, the “Property”). The undersigned, on behalf of the Developer, makes the representations herein with respect to all such Property.



3. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned<sup>3</sup>, is pending against any current Affiliate<sup>4</sup> (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Developer, or any such Affiliate (a) to restrain or enjoin the collection of special taxes levied on the Property by the Community Facilities District (the “Special Taxes”) or other sums pledged or to be pledged to pay the principal of and interest on the Bonds, (b) to restrain or enjoin the development of the Property as described in the Preliminary Official Statement, (c) in any way contesting or affecting the validity of the Special Taxes, or (d) which is reasonably likely to materially and adversely affect the Developer’s ability to develop and sell the Property as described in the Preliminary Official Statement or to pay the Special Taxes due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.

4. As of the date of the Preliminary Official Statement, the information contained therein solely with respect to the Developer, its Affiliates, ownership of the Property, the Developer’s development plan, the Developer’s financing plan, the Developer’s lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer’s development plan or the Developer’s financing plan, other loans of such Affiliates)

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<sup>3</sup> “Actual Knowledge of the Undersigned” means the knowledge that the individual signing on behalf of the Developer currently has as of the date of this Letter of Representations or has obtained through (i) interviews with such current officers and responsible employees of the Developer and its Affiliates as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents that were reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer’s current business and operations. Individuals who are no longer employees of the Developer and its Affiliates have not been contacted.

<sup>4</sup> “Affiliate” means, with respect to the Developer, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e., information relevant to (a) the Developer’s development plans with respect to the Property and ability to pay its Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency, or (b) such Person’s assets or funds that would materially affect the Developer’s ability to develop the Property as described in the Preliminary Official Statement or to pay its Special Taxes on the Property). “Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term “control” (including the terms “controlling,” “controlled by” or “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

as set forth under the sections of the Preliminary Official Statement captioned “OWNERHSHIP OF PROPERTY WITHIN THE DISTRICT —[MERCHANT BUILDER]” and “THE PARK CENTER DEVELOPMENT” is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. Except as described in the Preliminary Official Statement, there are no material loans outstanding and unpaid and no material lines of credit of the Developer or its Affiliates, that are secured by an interest in the Property. Neither the Developer nor, to the Actual Knowledge of the Undersigned, any of its Affiliates is currently in material default on any loans, lines of credit or other obligation related to the development of the Property or any other project which default is reasonably likely to materially and adversely affect the Developer’s ability to develop the Property as described in the Preliminary Official Statement or to pay the Special Taxes due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.

6. To the Actual Knowledge of the Undersigned, the Developer is not aware that any of the Property has a current liability with respect to the presence of a substance presently classified as hazardous under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 or applicable California law or is adversely affected by the presence of endangered or threatened species or habitat for endangered or threatened species.

7. To the Actual Knowledge of the Undersigned, the Developer is able to pay its bills as they become due and no legal proceedings are pending against the Developer (with proper service of process having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in which the Developer may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

8. To the Actual Knowledge of the Undersigned, Affiliates of the Developer are able to pay their bills as they become due and no legal proceedings are pending against any Affiliate of the Developer (with proper service of process having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in which the Affiliates of the Developer may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debt or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation which could have a materially adverse impact on the ability of the Developer to develop its Property as described in the Preliminary Official Statement, or to pay the Special Taxes or *ad valorem* tax obligations with respect to the portion of the Property then owned by the Developer (to the extent the responsibility of the Developer) prior to delinquency.

9. To the Actual Knowledge of the Undersigned, during the last five years, neither the Developer nor any current Affiliate has, during the period of its ownership, been delinquent to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property included within the boundaries of a community facilities district or an assessment district in California that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being commenced against the Developer or its Affiliates in a court of law.

10. To the Actual Knowledge of the Undersigned, there are no claims, disputes, suits, actions or contingent liabilities by and among the Developer, its Affiliates or any contractors working on the development of the Property which is reasonably likely to materially and adversely affect the development of the Property as described in the Preliminary Official Statement, or the payment of the Special Taxes due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.

11. Based upon the current development plans, the Developer presently anticipates that it will have sufficient funds to develop the Property as described in the Preliminary Official Statement and to pay Special Taxes levied against the Property (to the extent the responsibility of the Developer) prior to delinquency and does not anticipate that the Community Facilities District will be required to resort to a draw on the Reserve Fund for payment of principal of or interest on the Bonds due to the Developer's nonpayment of Special Taxes. However, neither the Developer nor any of its Affiliates are obligated to make any additional capital contribution or loan to the Developer at any time, and the Developer reserves the right to change its development plans and financing plans for the Property at any time without notice.

12. If between the date hereof and the Closing Date any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) shall occur of which the Developer has actual knowledge which would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Developer shall notify the Valley Center Municipal Water District (the "Water District").

13. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached hereto as Appendix A. If any event related to or affecting the Developer, its Affiliates, or the ownership, development, or sale of the Property occurs, as a result of which it is necessary to modify the Closing Certificate, the Developer agrees to deliver a new Closing Certificate revised to reflect such event.

14. The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Developer.

[MERCHANT BUILDER],

a \_\_\_\_\_

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

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

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

**APPENDIX A**

**FORM OF CLOSING CERTIFICATE**

**\$ \_\_\_\_\_  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(PARK CIRCLE EAST/WEST)  
OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT  
SERIES 2024 SPECIAL TAX BONDS**

**CLOSING CERTIFICATE**

\_\_\_\_\_, 2024

Valley Center Municipal Water District  
P.O. Box 67  
29300 Valley Center Rd.  
Valley Center, California 92082

Stifel, Nicolaus & Company, Incorporated  
2121 Avenue of the Stars, Suite 2150  
Los Angeles, California 90067

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the “Bonds”) and to the Bond Purchase Agreement, dated \_\_\_\_\_, 2024 (the “Bond Purchase Agreement”), entered into in connection therewith. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations, dated \_\_\_\_\_, 2024 (the “Letter of Representations”), delivered by [MERCHANT BUILDER], a \_\_\_\_\_ (the “Developer”).

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement dated \_\_\_\_\_, 2024 relating to the Bonds (the “Official Statement”). Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 4

of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) relating to the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates), which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "End of the Underwriting Period" as defined in the Bond Purchase Agreement (provided the Developer may assume the End of the Underwriting Period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the Water District or the Community Facilities District, to amend or supplement the Official Statement in order to make the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations not misleading in the light of the circumstances existing at the time it was delivered to a purchaser, the Developer shall reasonably cooperate with the Water District, the Community Facilities District and the Underwriter in the preparation and publication of a supplement or amendment to the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations, in form and substance satisfactory to the Underwriter and counsel to the Water District and the Community Facilities District which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

4. The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Developer.

[MERCHANT BUILDER],

a \_\_\_\_\_

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

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

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

**EXHIBIT F**

[RESERVED]

**EXHIBIT G**  
**SUPPLEMENTAL OPINION OF BOND COUNSEL**

**EXHIBIT H**  
**FORM OF LETTER OF DISCLOSURE COUNSEL**