

OFFICIAL STATEMENT DATED OCTOBER 10, 2024

NEW ISSUE - BOOK-ENTRY-ONLY

RATINGS: See “RATINGS” herein.

INSURANCE: See “BOND INSURANCE” and “RISK FACTORS RELATED TO BOND INSURANCE” herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District (as defined herein), as mentioned under “TAX EXEMPTION” herein, interest income on the Bonds is excluded from gross income for federal income tax purposes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT” and “BOND PREMIUM” herein.

The Board of Directors of the District has designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, which relates to the ability of certain financial institutions to deduct the interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. Representatives of the Board of Directors of the District will represent and warrant that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2024 will exceed \$10,000,000.

\$6,580,000

**TARTESSO WEST COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2024
(BANK QUALIFIED)**

Dated: Date of Initial Delivery

Due: As shown on the inside front cover page

The General Obligation Bonds, Series 2024 (the “Bonds”) of Tartesso West Community Facilities District (City of Buckeye, Arizona) (the “District”) will be issued in the form of fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available initially to ultimate purchasers through the book-entry-only system maintained by DTC in amounts of \$5,000 of principal each or integral multiples in excess thereof due on specified maturity dates. Interest on the Bonds will be paid semiannually, on January 15 and July 15 of each year, commencing January 15, 2025. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants which will remit such payments to the beneficial owners of the Bonds. See APPENDIX D - “BOOK-ENTRY-ONLY SYSTEM.”

SEE INSIDE FRONT COVER PAGE FOR MATURITY SCHEDULE

The Bonds are authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended, and an election held on December 14, 2004, in and for the District and will be issued pursuant to a resolution of the Board of Directors of the District adopted on May 7, 2024. The Bonds will be payable as to both principal and interest from *ad valorem* taxes to be levied on all taxable property within the boundaries of the District, without limitation as to rate or amount. See “SECURITY FOR AND SOURCES OF PAYMENT” herein.

Certain of the Bonds will be subject to redemption prior to their stated maturity dates as described under “THE BONDS – Redemption Provisions” herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc.

**ASSURED
GUARANTY**

Proceeds of the sale of the Bonds will be used to finance the acquisition of certain public infrastructure by the District, and to pay costs of issuance for the Bonds.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See “SECURITY FOR AND SOURCES OF PAYMENT” and “RISK FACTORS” herein.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF BUCKEYE, ARIZONA, THE OWNER (AS DEFINED HEREIN), THE STATE OF ARIZONA, OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY OF BUCKEYE, ARIZONA, THE OWNER, THE STATE OF ARIZONA, OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

The Bonds will be offered when, as and if issued by the District and subject to the approval of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Gust Rosenfeld P.L.C., Phoenix, Arizona, for the Underwriter identified below by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona, and for the Owner by its counsel, Ballard Spahr LLP, Phoenix, Arizona. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about October 31, 2024.

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

STIFEL

\$6,580,000
TARTESSO WEST COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2024
(BANK QUALIFIED)

MATURITY SCHEDULE

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	CUSIP® ⁽¹⁾ No. 876498
2025	\$100,000	5.00%	3.59%	CB0
2026	25,000	5.00	3.19	CC8
2027	20,000	5.00	3.07	CD6
2028	20,000	5.00	3.11	CE4
2029	20,000	5.00	3.14	CF1
2030	25,000	5.00	3.23	CG9
2031	25,000	5.00	3.30	CH7
2032	30,000	5.00	3.39	CJ3
2033	205,000	5.00	3.48	CK0
2034	220,000	5.00	3.53	CL8
2035	230,000	5.00	3.58*	CM6
2036	240,000	5.00	3.63*	CN4
2037	255,000	5.00	3.66*	CP9
2038	265,000	5.00	3.70*	CQ7
2039	280,000	5.00	3.76*	CR5

\$1,600,000 Term Bonds @ 4.00% Due July 15, 2044 - Yield 4.10% CUSIP® No. 876498CS3

\$3,020,000 Term Bonds @ 4.00% Due July 15, 2047 - Yield 4.22% CUSIP® No. 876498CT1

* Yield calculated to July 15, 2034, the first optional redemption date.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor, the Underwriter, the Owner or their agents or counsel assume responsibility for the accuracy of such numbers.

**TARTESSO WEST COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)**

DISTRICT BOARD

Eric Orsborn, *District Chairman*
Tony Youngker, *District Board Member*
Clay Goodman, *District Board Member*
Jeanine Guy, *District Board Member*
G. Patrick HagEstad, *District Board Member*
Michelle Hess, *District Board Member*
Craig Heustis, *District Board Member*

DISTRICT STAFF

Daniel Cotterman, *District Manager*
William Kauppi, *District Treasurer*
Lucinda Aja, *District Clerk*
Gust Rosenfeld P.L.C., *District Counsel*

FINANCIAL ADVISOR

Hilltop Securities Inc.
Phoenix, Arizona

BOND COUNSEL

Gust Rosenfeld P.L.C.
Phoenix, Arizona

BOND REGISTRAR AND PAYING AGENT

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

REGARDING THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, should be considered in its entirety, and no one subject should be considered less important than another by reason of location in the text. Brief descriptions of Tartesso West Community Facilities District (City of Buckeye, Arizona) (the “District”), the District’s General Obligation Bonds, Series 2024 (the “Bonds”), the hereinafter described Bond Resolution, the security for the Bonds, the Owner (as defined herein) and other information are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds, the Bond Resolution and any other documents are qualified in their entirety by reference to such documents, copies of which may be obtained from Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), at 2801 East Camelback Road, Suite 300, Phoenix, Arizona 85016.

The information set forth herein has been obtained from the District, Owner and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Underwriter or Hilltop Securities Inc. (the “Financial Advisor”). This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions or that they will be realized. The presentation of information, including tables of *ad valorem* tax rates and bonded general obligation indebtedness, in this Official Statement is intended to show recent historical information and, except as expressly stated otherwise, is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District, the Financial Advisor, the Underwriter, or any of their legal counsel, including counsel to the Underwriter and Bond Counsel (as defined herein) and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING DISCLOSURE” and in APPENDIX C – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.”

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

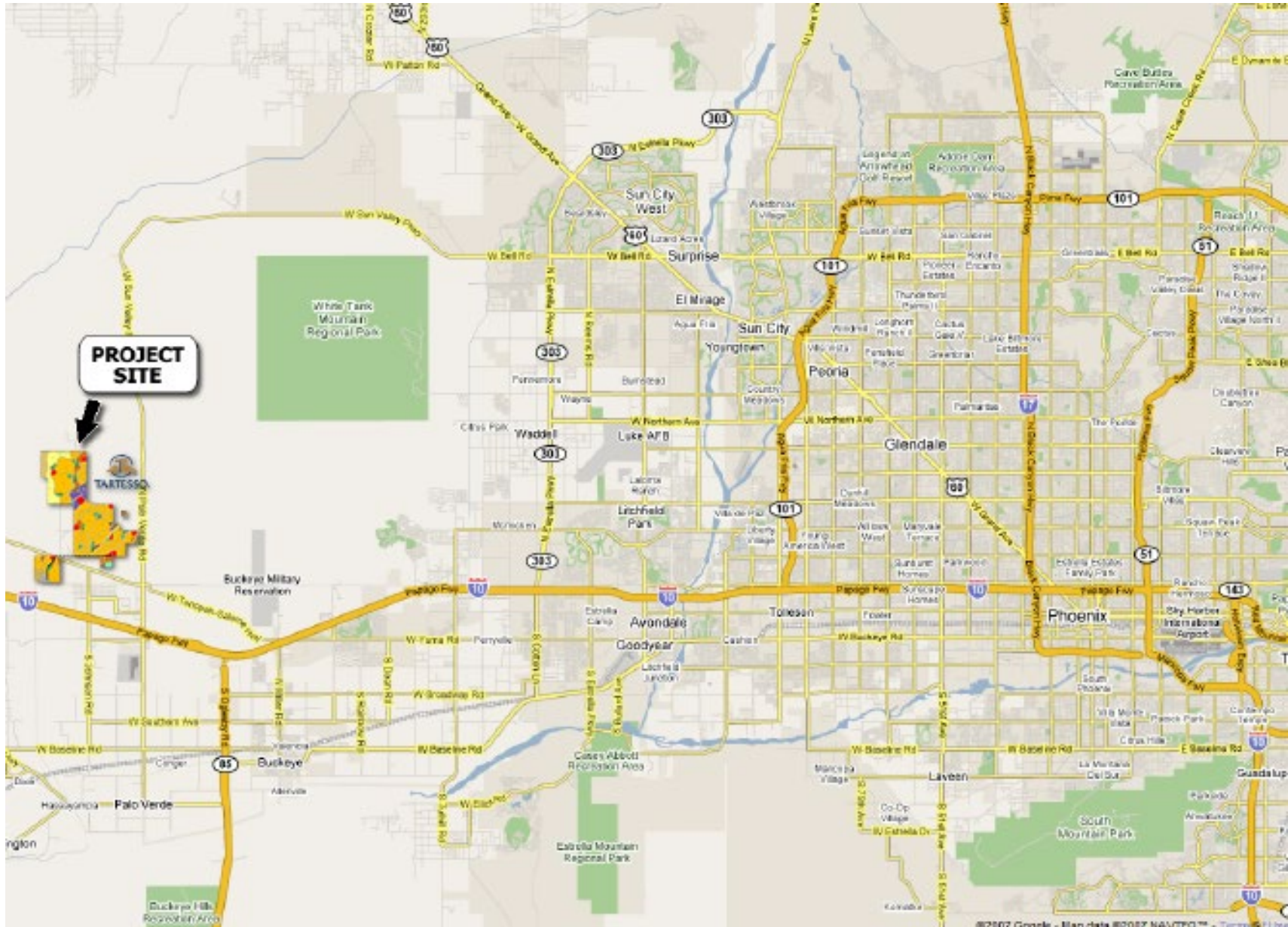
Assured Guaranty Inc. (“AG”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND INSURANCE” and APPENDIX F – “SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

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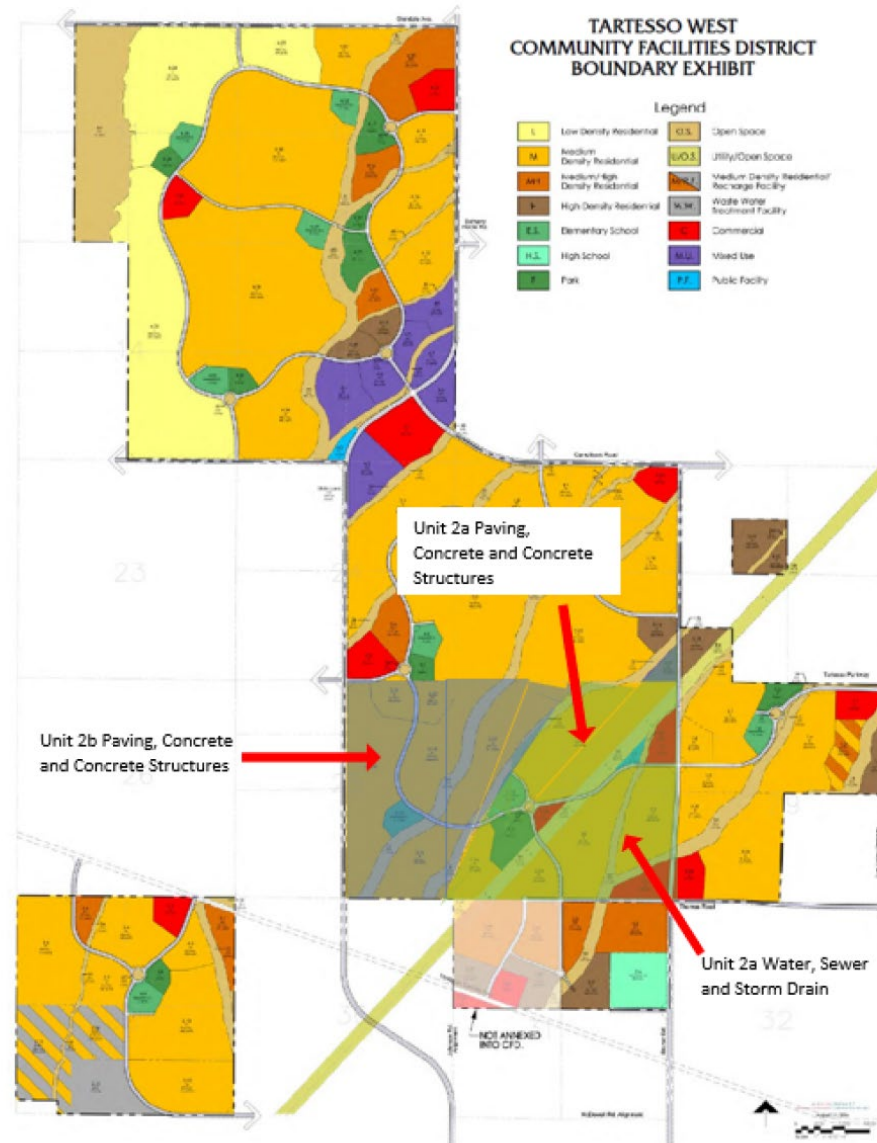
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MAP SHOWING LOCATION OF THE DISTRICT
WITHIN METROPOLITAN PHOENIX AREA



LAND USE PLAN OF THE DISTRICT



\$6,580,000
TARTESSO WEST COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2024
(BANK QUALIFIED)

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, provides certain information concerning the issuance of \$6,580,000 principal amount of Tartesso West Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2024 (the “Bonds”).

THE DISTRICT

Pursuant to the Community Facilities District Act, Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the “Enabling Act”), and in response to a petition by the then-owners of 100% of the property to be included within the proposed, hereinafter described District (Stardust Tartesso W12, Inc., Stardust Structured Investments No. 4 L.L.C., Sun Valley Partners, L.L.C., BIF-Buckeye, L.L.C., Cherry Properties, L.L.C. and two individuals) (collectively, the “Original Owners”), the Mayor and the Council of the City of Buckeye, Arizona (the “City”) (formerly known as the Town of Buckeye, Arizona) formed Tartesso West Community Facilities District (City of Buckeye, Arizona) (the “District”) on November 2, 2004. On September 1, 2016, certain assets and rights of the Original Owners or their successors-in-interest were acquired by Buckeye Tartesso, LLC, an Arizona limited liability company and/or its affiliates (collectively, the “Owner”). The Owner assumed all rights and obligations of the Original Owners under the terms of the Development, Financing Participation and Intergovernmental Agreement No. 1, Tartesso West Community Facilities District (Town of Buckeye, Arizona) dated November 2, 2004 (the “CFD Agreement”), between the Original Owners and the City.

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

Pursuant to the terms of certain development agreements among the City, the Owner and the District, the District has provided financing for the construction and/or acquisition of certain public infrastructure necessary for development of the land within the boundaries of the District. See “LAND DEVELOPMENT” herein. The District has the authority to issue general obligation bonds payable from *ad valorem* taxes levied on all taxable property within the boundaries of the District, without limitation as to rate or amount, to finance, among other things, the acquisition costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds. The District also levies a \$0.30 *ad valorem* tax per \$100 of Net Limited Assessed Property Value (as defined herein), the proceeds of which are used to pay a portion of the operation and maintenance expenses of the District and of the public infrastructure financed by the District (the “Operation and Maintenance Tax”).

THE BONDS

Authority and Election

The Bonds are authorized pursuant to the Enabling Act and an election held on December 14, 2004 (the “Election”), and will be issued pursuant to a resolution adopted by the Board on May 7, 2024 (the “Bond Resolution”). The Bonds will be the sixth series of bonds issued pursuant to the authorization approved at the Election, and, after issuance of the Bonds, \$144,369,000 principal amount of general obligation bonds of the District will remain authorized but unissued. In addition, certain amounts of net premium on general obligation bonds of the District reduce the principal amount of authorized but unissued general obligation bonds of the District. See “SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District” and “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District.” The Bonds are being issued in order to finance a portion of the cost for the District to acquire the public infrastructure financed by the Bonds from the Owner and to pay costs of issuance of the Bonds. See “PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS.”

General Description

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

Interest on the Bonds will be paid semiannually on January 15 and July 15 of each year, commencing January 15, 2025 (each such date being referred to herein as an “Interest Payment Date”). The Bonds will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the date of their initial delivery, calculated on the basis of a 360-day year of twelve 30-day months. See APPENDIX D - “BOOK-ENTRY-ONLY SYSTEM.” The District has chosen the close of business on the last day of the calendar month (other than a Saturday, Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the place of payment or in the city where the principal corporate trust office of the Bond Registrar and Paying Agent is located (a “Business Day”) next preceding the applicable Interest Payment Date, or if such day is not a Business Day, the previous Business Day, as the record date for the Bonds (the “Record Date”).

The principal of, redemption price for and interest on the Bonds will be payable when due to Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the securities depository of the Bonds for a book-entry-only system (the “Book-Entry-Only System”). The Bonds will be available initially to ultimate purchasers under such system in amounts of \$5,000 of principal or integral multiples in excess thereof due on specified maturity dates. No document of any nature whatsoever need be surrendered as a condition to payment of the principal of and interest on the Bonds. See APPENDIX D - “BOOK-ENTRY-ONLY SYSTEM.”

Bond Registrar and Paying Agent

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

Redemption Provisions

Optional Redemption. The Bonds maturing before or on July 15, 2034 will not be subject to redemption prior to their maturity. The Bonds maturing on or after July 15, 2035 will be subject to redemption prior to maturity, at the option of the District, in whole or in part from maturities selected by the District on July 15, 2034, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond redeemed, plus interest accrued to the date fixed for redemption, but without a premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years will be redeemed from funds of the District prior to maturity on the following redemption dates and in the following amounts, upon payment of the redemption price which consists of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the redemption date, but without premium:

Term Bonds due July 15, 2044

Year	Principal Amount
2040	\$295,000
2041	310,000
2042	320,000
2043	330,000
2044	345,000 (maturity)

Term Bonds due July 15, 2047

Year	Principal Amount
2045	\$355,000
2046	1,085,000
2047	1,580,000 (maturity)

Whenever Bonds are redeemed (other than pursuant to mandatory redemption) or are delivered to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity on a pro rata basis, to the extent practicable; provided, however, that each remaining mandatory payment shall be in an amount of at least \$5,000 of principal.

Notice of Redemption. So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX D – “BOOK-ENTRY-ONLY SYSTEM.” If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than 60 nor less than 30 days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

Notice of any redemption will also be provided as set forth in APPENDIX C – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If monies for the payment of the redemption price and accrued interest are not held in separate accounts by or on behalf of the District or the Bond Registrar and Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such monies being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

Effect of Redemption. On the date designated for redemption, the Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Bonds or portions thereof, and, if monies for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Bonds or portions thereof to be redeemed will cease to accrue, such Bonds or portions thereof will cease to be entitled to any benefit or security under the Bond Resolution, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds or portions thereof will be deemed paid and no longer outstanding. DTC’s practice is to determine by lot the amount of each

Direct Participant’s (as defined in APPENDIX D – “BOOK-ENTRY-ONLY SYSTEM”) proportionate share that is to be redeemed.

Redemption of Less than All of a Bond. The District may redeem any amount which is included in a Bond that is subject to prior redemption in a denomination equal to or in excess of, but divisible by, \$5,000. In the event of a partial redemption, the Bond will be redeemed in accordance with DTC’s procedures. In the event of a partial redemption after the Book-Entry-Only System is discontinued, the registered owner will submit the Bond for partial redemption and the Bond Registrar and Paying Agent will make such partial payment and will cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

Registration and Transfer When Book-Entry-Only System Has Been Discontinued

If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bond or Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent’s requirements for transfer are met. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds during the period from the Record Date to and including the respective Interest Payment Date. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds which have been selected for prior redemption.

The transferor will be responsible for all fees, taxes and any other costs relating to the transfer of ownership of individual Bonds.

SOURCES AND APPLICATION OF FUNDS

Sources

Par Amount of Bonds	\$6,580,000.00
Net Original Issue Premium (a)	81,911.90
Owner Contribution	<u>225,960.00</u>
Total	<u><u>\$6,887,871.90</u></u>

Applications

Cost of Acquisition	\$6,631,143.00
Payment of Costs of Issuance (b)	<u>256,728.90</u>
Total	<u><u>\$6,887,871.90</u></u>

(a) *Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.*

(b) *Includes premium for the Policy (as defined herein) and compensation and costs of the Underwriter (as defined herein) with respect to the Bonds.*

SECURITY FOR AND SOURCES OF PAYMENT

General

The Board will annually levy and cause an *ad valorem* tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the District, sufficient, together with any amounts from the sources described in the Enabling Act and available pursuant to the Bond Resolution, to pay debt service with respect to the Bonds (whether at maturity or prior redemption) when due, such *ad valorem* tax to be unlimited as to rate or amount. Amounts derived from the levy of such tax when collected constitute funds to pay the debt service on the outstanding general obligation bonds of the District, including debt service with respect to the Bonds, and will be kept separately from other funds of the District. With respect to *ad valorem* property taxes, the outstanding general obligation bonds of the District and the Bonds will be payable from such taxes on the same basis as issues of general obligation bonds of the District which may be issued in the future. In addition to the levy of *ad valorem* property taxes for the payment of debt service on the Bonds, the Board also levies the Operation and Maintenance Tax. See TABLE 7 herein for information regarding the outstanding general obligation bonds of the District. See also “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District.”

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE OWNER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE OWNER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

Defeasance

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of monies or obligations issued or guaranteed by the United States of America (“Defeasance Obligations”) or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from *ad valorem* taxes on taxable property in the District, and the owners of such Bonds shall thereafter be entitled to payment only from the monies and Defeasance Obligations deposited in trust.

Ad Valorem Property Taxation in the District

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are “primary taxes.” Taxes levied for payment of bonds like the Bonds, voter-approved budget overrides, and the maintenance and operation of special service districts such as sanitary, fire, road improvement and career technical education districts are “secondary taxes.” See “Primary Taxes” and “Secondary Taxes” below.

Taxable Property. Real property and improvements and personal property are either valued by the Assessor of Maricopa County, Arizona (the “County”) or the Arizona Department of Revenue (the “Department of Revenue”). Property valued by the Assessor of the County is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as “centrally valued” property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value. In the context of a specific property parcel, full cash value (“Full Cash Value”) is statutorily defined to mean “the value determined as prescribed by statute” or if a statutory method is not prescribed it is “synonymous with market value, which means the estimate of value that is derived annually by using standard appraisal methods and techniques,” which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial

property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value. In the context of a specific property parcel, limited property value (“Limited Property Value”) is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. Except as described in the next sentence, for locally assessed property in existence in the prior year, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. In the following circumstances, Limited Property Value is established at a level or percentage of Full Cash Value that is comparable to that of other properties of the same or a similar use or classification: property that was erroneously totally or partially omitted from the property tax rolls in the preceding tax year, except as a result of the matters described in this sentence; property for which a change in use has occurred since the preceding tax year and property that has been modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than 15% of the Full Cash Value. (Limited Property Value of property that has been split, subdivided or consolidated varies depending on when the change occurred.) A separate Limited Property Value is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions. The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, including the District.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes. See “Primary Taxes” and “Secondary Taxes” below.

Property Classification and Assessment Ratios. All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the “Limited Assessed Property Value” and the “Full Cash Assessed Value,” respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1

Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2020	2021	2022	2023	2024
Mining, utilities, commercial and industrial (b)	18%	18%	17.5%	17%	16.5%
Agricultural and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (c)	14	15	15	14	14

- (a) *Additional classes of property exist, but seldom amount to a significant portion of a municipal body’s total valuation.*
- (b) *The assessment ratio for this property classification will decrease to 16% for tax year 2025, 15.5% for tax year 2026 and 15% for each tax year thereafter.*
- (c) *This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.*

Source: *State and County Abstract of the Assessment Roll, Arizona Department of Revenue. 2024 Final Property Class Summary, Arizona Department of Revenue.*

Primary Taxes. Per State statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are “primary taxes.” Primary taxes are levied against Net Limited Assessed Property Value. “Net Limited Assessed Property Value” is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

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

The combined taxes on owner occupied residential property only, for purposes other than voter-approved bonded indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district’s taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

Secondary Taxes. Per State statute, taxes levied for payment of bonds like the Bonds, voter-approved budget overrides, and the maintenance and operation of special purpose districts such as sanitary, fire, road improvement, and career technical education districts, and the taxes levied by school districts for qualified desegregation expenditures are “secondary taxes.” Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments.

Tax Procedures. The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The tax roll is then

forwarded to the Treasurer of the County. (The Assessor of the County is required to have completed the assessment roll by December 15th of the year prior to the levy. This roll identifies the valuation and classification of each parcel located within the County for the tax year.)

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then levied upon each non-exempt parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll due to appeals or other reasons reduces the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years and liens imposed by the United States. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and the previous five fiscal years.

TABLE 2

**Property Taxes Levied and Collected (a)
Tartesso West Community Facilities District**

Fiscal Year	District Tax Rate	Adopted District Tax Levy	Adjusted District Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year		Adjusted District Tax Levy as of August 31, 2024	Cumulative Collections to August 31, 2024	
				Amount	% of Adj. Levy		Amount	% of Adj. Levy
2024/25	\$3.3041	\$ 1,810,329	(b)	(b)	(b)	\$ 1,810,329	\$ 2,427	0.13%
2023/24	2.9175	1,496,580	\$ 1,495,839	\$ 1,483,857	99.20 %	1,495,839	1,490,932	99.67
2022/23	3.2947	1,480,158	1,479,848	1,474,050	99.61	1,479,112	1,479,112	100.00
2021/22	2.9208	1,065,285	1,065,165	1,055,090	99.05	1,065,165	1,065,165	100.00
2020/21	2.4644	699,328	697,632	667,579	95.69	690,391	690,391	100.00
2019/20	3.3805	689,075	689,075	680,950	98.82	676,899	676,899	100.00

(a) *Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of the Supervisors of the County as required by Arizona Revised Statutes. Interest and penalty collections for delinquent taxes are not included in the collection figures in TABLE 2, but are deposited in the County's General Fund.*

(b) *2024/25 taxes in course of collection:
First installment due 10-01-24; delinquent 11-01-24
Second installment due 03-01-25; delinquent 05-01-25*

Source: Office of the Treasurer of the County.

Delinquent Tax Procedures. The property taxes due the District are billed, along with State and other taxes, each September, are due and payable in two installments on October 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum, prorated monthly at a rate of 1.33% as of the first day of the month. (Interest and penalties for delinquent taxes are waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

Chapter 176, Laws of Arizona 2024 (commonly referred to by its original bill number as "SB 1431") revises the redemption and foreclosure process for tax lien certificate holders whereby a delinquent taxpayer may request an entry of judgment directing the sale of the property for excess proceeds. If a delinquent taxpayer requests an excess proceeds sale, and an entry of judgment is granted to direct such excess proceeds sale, a tax lien certificate holder's potential financial return on the subject tax lien eligible for foreclosure may decrease relative to the tax lien certificate holder's potential financial return on such tax lien prior to the enactment of SB 1431. Therefore, in connection with the new excess proceeds sale process instituted by SB 1431, it is reasonable to conclude that "tax sale investors" may be less willing to purchase tax liens. The effective date of SB 1431 is September 14, 2024. None of the District, the Underwriter or the counsel or agents of either of them, are able to determine or predict what impact, if any, SB 1431 will have on property tax collections in the District.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter, the Financial Advisor (as defined herein), the Owner or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years. See "RISK FACTORS – Bankruptcy and Foreclosure Delays."

TABLE 3

**Net Limited Assessed Property Value by Property Classification
Tartesso West Community Facilities District**

Class	2024/25	2023/24	2022/23	2021/22	2020/21
Commercial, industrial, utilities & mines	\$ 2,881,740	\$ 1,758,847	\$ 1,590,180	\$ 1,596,295	\$ 1,664,459
Agricultural and vacant	260,942	333,070	554,094	939,079	1,322,968
Residential (owner occupied)	43,623,399	41,726,557	36,469,711	29,602,648	21,596,610
Residential (rental)	8,024,306	7,478,421	6,311,477	4,334,404	3,793,066
Totals	<u>\$ 54,790,386</u>	<u>\$ 51,296,895</u>	<u>\$ 44,925,462</u>	<u>\$ 36,472,425</u>	<u>\$ 28,377,103</u>

(a) Totals may not add due to rounding.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and the Office of Budget and Finance of the County.

See also in this respect the discussion under the subheading “LAND DEVELOPMENT.”

TABLE 4

**Net Limited Assessed Property Value of Major Taxpayers
Tartesso West Community Facilities District**

Major Taxpayer (a)	2024/25 Net Limited Assessed Property Value	As % of 2024/25 Net Limited Assessed Property Value
Arizona Public Service Company	\$ 3,932,655	7.18%
Transwestern Pipeline Company LLC	1,425,323	2.60
SFR JV-HD Property LLC	332,688	0.61
From Little Acorns Grow LLC	240,762	0.44
AZ SFR 2 LLC	113,080	0.21
SFR JV-2 2022-2 Borrower LLC	108,077	0.20
MARC Sun Valley LLC	104,258	0.19
SFR JV-2 2022-1 Borrower LLC	101,378	0.19
RESI Labs Pathway Homes Buyer LP	74,849	0.14
Buckeye Tartesso LLC	67,900	0.12
Total (b)	\$ 6,500,969	11.87%

(a) *Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>. No representative of the District, the Underwriter, the Financial Advisor, Bond Counsel or counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.*

(b) *Totals may not add due to rounding.*

Source: The Assessor of the County.

See "RISK FACTORS - General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences."

TABLE 5

**Comparative Net Limited Assessed Property Values
Tartesso West Community Facilities District**

Fiscal Year	Tartesso West Community Facilities District	City of Buckeye	Maricopa County	State of Arizona
2024/25	\$ 54,790,386	\$ 953,508,266	\$ 58,328,686,358	\$ 88,425,611,337
2023/24	51,296,895	809,880,823	54,722,310,149	83,026,514,349
2022/23	44,925,462	718,798,778	51,575,018,185	78,415,651,030
2021/22	36,472,425	617,421,432	48,724,126,672	74,200,360,570
2020/21	28,377,103	558,013,165	45,704,969,813	69,914,763,468

Source: *Property Tax Rates Assessed Values*, Arizona Tax Research Association, Department of Finance of the County and *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and the Office of Budget and Finance of the County.

TABLE 6

**Estimated Net Full Cash Value History
Tartesso West Community Facilities District**

Fiscal Year	Estimated Net Full Cash Value (a)
2024/25	\$ 1,228,038,403
2023/24	967,576,950
2022/23	685,108,933
2021/22	517,363,629
2020/21	406,739,062

(a) *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.*

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

The following table lists the general obligation bonded indebtedness of the District that will be outstanding after issuance of the Bonds:

TABLE 7

General Obligation Bonded Indebtedness to be Outstanding

<u>Issue Series</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity Date (July 15)</u>	<u>Balance Outstanding</u>
2018	\$ 6,430,000	Refunding	2032	\$ 4,035,000 (a)
2021	7,310,000	Public Infrastructure	2046	6,655,000 (b)
2022	6,960,000	Public Infrastructure	2045	<u>6,960,000 (c)</u>
Total General Obligation Bonded Debt Outstanding				\$ 17,650,000
Plus: The Bonds				<u>6,580,000 (d)</u>
Total General Obligation Bonded Debt to be Outstanding				<u><u>\$ 24,230,000</u></u>

(a) *The "Series 2018 Bonds."*

(b) *The "Series 2021 Bonds." \$869,857 of net premium on the Series 2021 Bonds reduced the principal amount of authorized but unissued general obligation debt of the District resulting from the Election.*

(c) *The "Series 2022 Bonds."*

(d) *\$51,143 of net premium on the Bonds reduces the principal amount of authorized but unissued general obligation debt of the District resulting from the Election.*

Annual Debt Service Requirements of General Obligation Bonded Indebtedness To Be Outstanding. The District will have the following annual debt service requirements after the issuance of the Bonds:

TABLE 8

**Schedule of Annual Debt Service Requirements (a)
Tartesso West Community Facilities District**

Fiscal Year	Bonds Outstanding		The Bonds		Total Annual Debt Service Requirements
	Principal	Interest	Principal	Interest	
2024/25	\$ 660,000	\$ 681,496	\$ 100,000	\$ 200,317 (b)	\$ 1,641,812
2025/26	680,000	659,604	25,000	277,800	1,642,404
2026/27	705,000	637,019	20,000	276,550	1,638,569
2027/28	730,000	613,613	20,000	275,550	1,639,163
2028/29	755,000	589,410	20,000	274,550	1,638,960
2029/30	780,000	564,363	25,000	273,550	1,642,913
2030/31	805,000	538,495	25,000	272,300	1,640,795
2031/32	830,000	511,760	30,000	271,050	1,642,810
2032/33	680,000	484,181	205,000	269,550	1,638,731
2033/34	705,000	458,656	220,000	259,300	1,642,956
2034/35	730,000	432,131	230,000	248,300	1,640,431
2035/36	760,000	404,669	240,000	236,800	1,641,469
2036/37	785,000	376,056	255,000	224,800	1,640,856
2037/38	820,000	343,444	265,000	212,050	1,640,494
2038/39	855,000	308,750	280,000	198,800	1,642,550
2039/40	890,000	272,563	295,000	184,800	1,642,363
2040/41	925,000	234,900	310,000	173,000	1,642,900
2041/42	965,000	195,050	320,000	160,600	1,640,650
2042/43	1,010,000	153,450	330,000	147,800	1,641,250
2043/44	1,050,000	109,900	345,000	134,600	1,639,500
2044/45	1,100,000	64,625	355,000	120,800	1,640,425
2045/46	430,000	17,200	1,085,000	106,600	1,638,800
2046/47			1,580,000	63,200	1,643,200
	<u>\$ 17,650,000</u>		<u>\$ 6,580,000</u>		

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

(b) The first interest payment on the Bonds will be due on January 15, 2025. Thereafter, interest payments will be due semiannually on July 15 and January 15 until maturity or prior redemption.

**OVERLAPPING, ADDITIONAL AND ADDITIONAL
OVERLAPPING INDEBTEDNESS**

Overlapping General Obligation Bonded Indebtedness

Overlapping general obligation bonded indebtedness is shown below including a breakdown of each overlapping jurisdiction’s applicable general obligation bonded indebtedness, Net Limited Assessed Property Value and combined tax rate per \$100 Net Limited Assessed Property Value. Outstanding bonded indebtedness is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale. The applicable percentage of each jurisdiction’s Net Limited Assessed Property Value which lies within the District’s boundaries was derived from information obtained from the County Assessor. See “**RISK FACTORS – Direct and Overlapping Indebtedness.**”

TABLE 9

Direct and Overlapping Jurisdiction	2024/25 Net Limited Assessed Property Value	General Obligation Bonded Debt Outstanding (a)	Proportion Applicable to the District (b)		2024/25 Tax Rates Per \$100 Net Limited Assessed Property Value
			Approximate Percent	Net Debt Amount	
State of Arizona	\$ 83,026,514,349	None	0.07%	None	None
Maricopa County	58,328,686,358	None	0.09	None (c)	\$1.5011
Maricopa County Community College District	58,328,686,358	\$ 57,615,000	0.09	\$ 54,120	1.1047
Maricopa County Special Health Care District	58,328,686,358	544,135,000	0.09	511,127	0.2665
Western Maricopa Education Center District No. 402	22,530,836,261	98,510,000	0.24	239,556	0.1825
Saddle Mountain Unified School District No. 90	905,688,786	42,135,000	6.05	2,548,991	3.1334
City of Buckeye	953,508,266	None	5.75	None	1.6077
Tartesso West Community Facilities District	54,790,386	24,230,000	100.00	24,230,000 (d)	3.3041
Total Direct and Overlapping General Obligation Bonded Debt to be Outstanding				<u>\$ 27,583,795 (e)</u>	

- (a) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County and City improvement districts, as the obligations of these districts are presently being paid from special assessments against property within the various improvement districts.
- (b) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for fiscal year 2024/25.

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Authorized but unissued amounts in the following table may be subject to additional reductions based on net premium amounts but such reductions are not reflected in the table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

<u>Overlapping Jurisdiction</u>	<u>General Obligation Bonds Authorized but Unissued</u>
<i>The District</i>	\$144,369,000 (f)

Also does not include the obligation of the Central Arizona Water Conservation District (“CAWCD”) to the United States Department of the Interior (the “Department of the Interior”), for repayment of certain capital costs for construction of the Central Arizona Project (“CAP”), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD’s obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages are fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD’s boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per \$100 of Net Limited Assessed Property Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

- (c) The County’s tax rate includes the \$0.1400 tax rate of CAWCD, the \$0.1470 tax rate of the Maricopa County Flood Control District, the \$0.0470 tax rate of the Maricopa County Free Library and the \$0.0080 tax rate of the Maricopa County Fire District contribution. It should be noted that the County Flood Control District does not levy taxes on personal property
- (d) Includes the Bonds.
- (e) Totals may not add due to rounding
- (f) Reflects reduction in authorization approved at the Election resulting from issuance of the Bonds.

Source: The various entities, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and the Office of Budget and Finance of the County.

Additional General Obligation Bonded Indebtedness of the District

In addition to outstanding general obligation bonds of the District described in TABLE 7 and the Bonds, the District retains the right to issue, in accordance with the procedures set forth in the Enabling Act, additional series of general obligation bonds payable from *ad valorem* taxes. See “SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District – General Obligation Bonded Indebtedness to be Outstanding.” See also **“RISK FACTORS - Direct and Overlapping Indebtedness.”**

The Enabling Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the District are pledged will not exceed 60 percent of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure owned or to be acquired by the District with the proceeds of the bonds. (Based solely on the Full Cash Value of the District as reported by the County Assessor, the Board has determined that issuance of the Bonds will meet the test set forth above. See “SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District – Full Cash Value.”)

Pursuant to the Election, the District was authorized to incur general obligation bonded indebtedness in an amount not to exceed \$175,000,000 in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs and will have \$144,369,000 of such amount remaining after issuance of the Bonds. Additional indebtedness could be authorized for the District in the future pursuant to other elections.

Additional Overlapping General Obligation Bonded Indebtedness

The District has no control over the amount of additional indebtedness payable from taxes on all or a portion of the property within the District that may be issued in the future by other political subdivisions, including but not limited to the City, the County, Saddle Mountain Unified School District No. 90 of Maricopa County, Arizona, Western Maricopa Education Center District No. 402 of Maricopa County, Arizona, Maricopa County Community College District or other entities having jurisdiction over all or a portion of the land within the District. Additional indebtedness could be authorized for such overlapping jurisdictions in the future. See **“RISK FACTORS - Direct and Overlapping Indebtedness.”**

LAND DEVELOPMENT

The information contained in this section relates to and has been obtained from the Owner, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

In General

The District encompasses approximately 5,396 acres which are being planned and developed as a mixed-use, master-planned community and marketed as “Tartesso West” (the “Development”).

The Development is located north of McDowell Road, south of Glendale Avenue, east of the Hassayampa River and west of the Sun Valley Parkway. Primary access to the Development is provided by Interstate 10 and the Sun Valley Parkway, which include a major freeway interchange. At buildout, single family residential and multi-family residential units are expected to represent approximately 3,635 acres and 136 acres, respectively, within the Development. Non-residential development will comprise approximately 1,625 acres inclusive of an estimated 207 acres of various commercial uses and 1,418 acres of (i) rights of way, and (ii) government services such as schools, wastewater treatment facility, public facilities and parks and open space. See the map on page (iv) with respect to the location of the District and map of the planned land use of the District on page (v).

Construction on the initial 1,200 acres in the District began in 2004-2005 (“Phase I”). Phase I consists of Units 1, 2A and 2B and includes 3,375 single family residential lots and various other uses as approved in the Tartesso West Community Master Plan, originally approved by the City on August 19, 2003 (the “Community Master Plan”). The original developer, Stardust-Tartesso W12, Inc. (“Original Developer”), completed entitlements and substantial development of the public improvements for Phase I and spent in excess of \$56,000,000 to provide public infrastructure eligible for reimbursement under the Enabling Act including water, sewer, streets, curbs, gutters, and other facilities. This does not include any construction costs incurred by the Original Developer for infrastructure. At the inception of the master planned community, all of the 3,375 lots described above were the subject of rolling lot option agreements prior to the construction of offsite improvements and onsite lot improvements. Up through 2009, approximately 989 homes were completed, sold and occupied by homeowners, leaving a balance of approximately 2,386 vacant developed lots.

No significant new development or new home construction occurred in the District from 2009 through 2015 during and in the aftermath of the Great Recession. The remaining 2,386 vacant developed lots were ultimately acquired by various investment entities. During 2016-2017, most of the remaining vacant developed lots were acquired by D.R. Horton, Inc (“D.R. Horton”). D.R. Horton opened for sales on its first Tartesso West product line in about August 2016 and a second product line in about February 2017. D.R. Horton completed the construction of 2,382 single-family homes by the end of 2022, finishing the build-out of the 3,371 total single-family homes in Phase I, which excludes four residential lots that were dedicated for a fire station in 2019. All infrastructure improvements for Phase I are completed and function to service the completion of the build-out of all 3,371 homes and existing residents.

The City provides sewer service through a water reclamation facility built by the Original Developer. In 2004-2005, 31 Certificates of Assured Water were issued in reliance on a 2003 Analysis of Assured Water Supply (the “2003 Analysis”), specific to the 3,371 homes located in Phase I. All 3,371 homes have been sold to homebuyers and are being served water by the City. As such, no further assured water supply approvals are required for these homes. See “Land Development Agreements/Community Master Plan” and “Residential Development” in this section, and “THE PUBLIC INFRASTRUCTURE – Assured Water Supply.”

The 3,371 completed single-family homes in Phase I account for approximately 95% of the Net Limited Assessed Property Value within the District. Although such homes generate sufficient *ad valorem* taxes to service all outstanding general obligation bonded indebtedness of the District, including the Bonds, the Owner is in the process of planning future phases of development within the District. A second phase of the Development may include up to approximately 2,070 net acres and approximately 5,657 future single-family homesites, for which design and engineering efforts for preliminary plats have been initiated. The second and future phases of the Development will

require significant master infrastructure, including but not limited to the expansion of the water reclamation facility and the construction of a new water campus. Development of the second and future phases is contingent upon a number of economic and development factors, including but not limited to the ability to convert the 2003 Analysis for lots under consideration into Certificates of Assured Water Supply, future development costs, economic feasibility and future market conditions. See **“RISK FACTORS – Lack of Availability of Utilities and Water for Future Phases of Development.”**

Land Development Agreements/Community Master Plan

The real property in the District is subject to the Community Master Plan and a development agreement approved by the City in August 2003 and amended in subsequent years (“Development Agreement”). The Owner became a party to the Development Agreement when it acquired the property on September 1, 2016. The Development Agreement addresses the rights of the Owner in relation to the development of the property and addresses various issues typically reflected in Arizona development agreements, including but not limited to: provision of City services, processing of plans and permits, a legal obligation to provide potable water, rights to obtain sewer, police, and fire services within the Development and the required capital and operational contributions to the City, all of which are provided to the Development in whole by the City. In accordance with the terms of the Development Agreement, the Owner is required to assist in the funding of certain capital and operational costs associated with the provision of water, sewer, police and fire services within the Development. Development of the Property within the District and construction of homes and other infrastructure is subject to obtaining various development and construction approvals and permits.

As noted above, the District is authorized to issue up to \$175,000,000 in general obligation bonds to acquire public infrastructure necessary for the development of the Development. Approximately \$56,400,000 of capital expenditures for the Phase I public infrastructure is eligible for acquisition from the proceeds of general obligation and special assessment bonds issued by the District. Approximately \$23,300,000 of public infrastructure has been acquired with the proceeds of four prior general obligation bond issuances by the District which include the Series 2022 Bonds, the Series 2021 Bonds and the initial two issues that were refunded by the Series 2018 Bonds. Accordingly, there is approximately \$33,100,000 of Phase I public infrastructure that remains eligible for acquisition from the proceeds of general obligation and special assessment bonds which may be issued by the District. Such amounts do not include any construction costs funded privately by the Original Developer to complete the public infrastructure or to finish the lot improvements, nor does it include any costs anticipated for future phases of the Development.

The real property in the District is subject to the Community Master Plan. Several amendments to the Community Master Plan have been adopted by the City, including with one effective October 6, 2020. All references to the Community Master Plan mean such plan as amended.

Although the number of acres devoted to each particular land use may ultimately vary from those presented, upon completion, the development of the District in accordance with the Community Master Plan is currently expected to include the following land uses:

TABLE 10

<u>Total Development</u>	<u>Approximate District Acres</u>
Residential	3,635
Multi-Family	136
Park and Open Space	788
Commercial	207
Mixed-Use	174
Elementary School	116
High School	45
Wastewater Treatment Facility	47
Public Facility	9
Rights of Way	239
Total	<u>5,396</u>

The Community Master Plan contemplates 18,791 residential units within the District, the majority of which are planned as single-family residences. The Community Master Plan also contemplates development of approximately 363.8 acres of commercial uses within the District. Development of the property within the District and construction of homes and other infrastructure is subject to obtaining various development and construction approvals and permits. As a condition to the sale of homes, homebuilders will be required to obtain building and any additional permits required for the construction and completion of all such homes and other infrastructure. See “RISK FACTORS.”

Residential Development

Prior to the housing downturn in the Great Recession, 989 homes had been previously built, sold and closed by multiple homebuilders in the Tartesso master planned community. From 2017 through 2022, D.R. Horton acquired the balance of the finished lots in Phase I and built, sold and closed the remaining 2,382 homes in Phase I. The 989 existing homes previously constructed by multiple homebuilders prior to the downturn, plus the 2,382 homes built and sold by D.R. Horton from 2017 to 2022, plus the four (4) lots dedicated in 2019 for a Fire Station equal the 3,375 total lots available in Phase I. Phase I was fully built-out in 2022 following the sale of the final 145 single-family residential houses. The existing 3,371 completed, single-family residential homes provide the bulk of the assessed tax base that supports the general obligation bonds issued by the District. The following table sets forth the single-family, residential closings to third party end users by year, for 2017 through 2022.

TABLE 11
Residential Home Sales – Phase 1

Calendar Year	Residential Closings Per Year
2017	191
2018	328
2019	567
2020	643
2021	508
2022	145
Total, 2017-2022(a)	2,382
Total, Pre-2017 Closings(b)	989
Total – Homes	3,371
Lots Dedicated for Fire Station, 2019	4
Phase I Total Lots	3,375

(a) Source: Zonda Intelligence, April 2022

(b) Source: City of Buckeye, Arizona

THE PUBLIC INFRASTRUCTURE

The information contained in this section relates to and has been obtained from the Owner, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

Certain infrastructure has been constructed in connection with the development of the residential uses described below. Except as set forth under the heading “PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS,” portions of such infrastructure are being financed with proceeds of the sale of the Bonds.

All public infrastructure has been publicly bid in accordance with the CFD Agreement and Title 34 of the Arizona Revised Statutes so that these improvements are eligible for acquisition with the proceeds of current and future bond offerings by the District.

Water and Sewer Utilities

The entire Development is within the water service area of the City. Phase I is located on approximately 1,200 acres at the southern end of the Development and includes approximately 3,371 single family, residential lots and various other uses as approved in the Community Master Plan. Wells, service lines, distribution, water treatment and storage facilities have been constructed and accepted by the City and provide adequate public services for the approximate 3,371 residential units in the Phase I. There are three on-site water wells that have been constructed; currently two on-site wells are active and supply water to all 3,371 residential homes.

Additional wells, service lines, distribution lines, water treatment, and storage facilities will be constructed and placed into service for Tartesso West future phases, as those future phases are developed, subject to the constraints and risk factors described herein.

Assured Water Supply

In 2004-2005, 31 Certificates of Assured Water were issued in reliance on the 2003 Analysis, specific to the 3,371 homes located in Phase I. All 3,371 homes have been completed and sold, and are being served water by the City. As such, no further assured water supply approvals are required for the 3,371 homes in Phase I.

Sewer Service

Sewer service to the Development is provided by the City from the Tartesso West Water Reclamation Facility (“WRF”) located at McDowell Road and 319th Avenue. The WRF has a capacity of 1.2 million gallons per day (“GPD”) capable of serving up to 4,500 residential lots. The WRF currently receives effluent from homeowners occupying a portion of the approximately 3,371 residential lots described herein. In addition to serving all residential units in Phase I, the WRF has capacity for an additional estimated 1,129 lots in future phases of the Development. The WRF has all operating and environmental permits in place and has commenced operations. It is a regional facility designed to be expanded to serve all of the sewer treatment needs of Tartesso West as development continues.

Streets

The Development receives primary vehicular access from Sun Valley Parkway which has a full interchange at Interstate 10. Sun Valley Parkway intersects with Tartesso Parkway which offers a landscaped entry/loop road throughout Phase I of the Development.

The Original Developer provided all required Phase I arterial and collector roads as outlined in the Development Agreement.

Police and Fire

A joint police and fire facility is located at 30050 West Tartesso Parkway. The approximately \$5.7 million facility was constructed by the City with funding provided by both the City and the Owner.

Other

Electrical service for the District is provided by Arizona Public Service Company. All telecommunications, cable and data service are provided by Cox Communications. Southwest Gas provides natural gas service to the area.

The District is located in Saddle Mountain Unified School District. A K-5 elementary school is located within Tartesso West and a second PK-5 elementary is under construction. Middle school students attend Ruth Fisher Middle School while high school students attend Tonopah Valley High School.

PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS

The information contained in this section relates to and has been obtained from the Owner, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

Proceeds of the Bonds will be used, and approximately \$23,300,000 of the proceeds of prior general obligation bond issuances have been used, to acquire certain Phase I public infrastructure completed in or prior to 2024 that has been or will be dedicated to the City. The Phase I public infrastructure to be acquired with proceeds of the Bonds consists of approximately 196,256 square yards of onsite paving and related curb and gutter and approximately 102,860 square yards of offsite paving and related curb and gutter, including engineering, survey, permits and fees, and other related costs for Unit 2A Paving, Concrete and Concrete Structures. It also includes approximately 55,443 linear feet of onsite sewer lines, approximately 55,740 linear feet of onsite water lines, and approximately 1,356 linear feet of offsite water and raw lines, including engineering, survey, permits and fees, testing and other related costs for Unit 2A Onsite Sewer, Onsite Water and Storm Drain, as well as approximately 102,035 square yards of onsite paving and related curb and gutter, approximately 81,055 square yards of offsite paving and related curb and gutter, including engineering, survey, permits and fees, and other related costs for Unit 2B.

The Phase I public infrastructure to be acquired from the proceeds of the Bonds issued by the District consists of the projects listed in TABLE 12.

TABLE 12

Acquisition Project Description	Total Estimated Cost	Certified Engineer's Cost	To Be Paid By the Bonds	Paid by Prior Bonds	Eligible for Funding from Future Bonds	Acceptance Date (a)
1. Unit 2A Paving, Concrete, and Concrete Structures	\$15,045,756	\$15,045,756	\$2,197,638	\$10,494,002	\$2,354,116	08/07/2012
2. Unit 2A Onsite Sewer, Onsite Water and Storm Drain	6,773,794	6,773,794	2,446,355	953,018	3,374,421	08/07/2012
3. Unit 2B Paving, Concrete and Concrete Structures	14,890,946	14,890,946	1,987,150	-	12,903,796	08/07/2012
Total	\$36,710,496	\$36,710,496	\$6,631,143	\$11,447,020	\$18,632,333	

(a) Represents the date by which the City accepted the public infrastructure, which may differ from the date the Original Developer constructed the public infrastructure.

OWNER

The information contained in this section relates to and has been obtained from the Owner, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

On September 1, 2016, the Owner acquired approximately 3,953 acres of undeveloped property in Tartesso West, of which 3,752 acres is in the District, from the Original Owners or their successors-in-interest. In addition, the initial acquisition by the Owner in September 2016 also included approximately 6,776 acres in Tartesso East, which consists of undeveloped acreage located east of Sun Valley Parkway. Subsequent to its 2016 acquisitions of Tartesso West and Tartesso East, the Owner has acquired several smaller parcels both west and east of Sun Valley Parkway that are not within the Tartesso West Community Facilities District boundaries.

As the Owner is a private real estate investment firm, it is not subject to public financial reporting requirements. Accordingly, the District, the Financial Advisor, Gust Rosenfeld P.L.C. (“Bond Counsel”), the Underwriter and counsel to the Underwriter have not examined the Owner’s financial information related to its operations and/or the Development and therefore do not provide any opinions or assume any responsibility for same.

RISK FACTORS

THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE PRINCIPAL RISK FACTORS IN INVESTING IN THE BONDS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS OFFICIAL STATEMENT, BEFORE MAKING AN INVESTMENT DECISION. INVESTMENT IN THE BONDS SHOULD BE MADE ONLY AFTER CAREFUL EXAMINATION OF THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO.

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

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

Construction of houses on the lots within the District may be affected by changes in the income tax treatment of real property ownership; changes in national, regional and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds and homeowners insurance to buyers of the homes to be built in the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; pandemics or epidemics; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; climate change; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the owners of such land. Land development within the District also could be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development.

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

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

Vacant lots also provide less security to the holders of the Bonds should it be necessary for the District to foreclose due to nonpayment of ad valorem taxes. An inability to develop the remaining land within the District would likely reduce the diversity of ownership of land within the District, making the holders of the Bonds more dependent upon timely payment of the ad valorem taxes levied on the vacant lots.

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

Failure or Inability to Complete Proposed Development

The development of land in the District will be staged so that only a particular phase is planned to be developed at one time. Funding for development of property in the District will be provided by third-party lenders, the Owner and other sources. The availability of funding for the completion of Tartesso West will depend upon the demand for residential lots or units within such communities and local, regional and national market and economic conditions. No assurance is given that funding will be obtained for development of property in the District, or, if obtained, will be in an amount sufficient to complete development of Tartesso West. If satisfactory funding is unavailable, the Owner may be required to delay or suspend completion of the development of the balance of Tartesso West.

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

Completion of the Public Infrastructure and the Other Infrastructure

The assessed valuation of the taxable property in the District may increase if and as the development of Tartesso West continues. However, less than expected increases or decreases in the future assessed valuation of the taxable property in the District may reduce the willingness of landowners to pay the ad valorem property taxes securing the Bonds or adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes. See also “SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District.”

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

Sale of Portions of the Land in the District

It is possible that the Owner or other land owners within the District may sell portions of their land to other owners. Such new owners may not develop their land on the same schedule as the Owner or the other land owners, thus slowing the pace of growth and delaying increases in assessed valuation.

Lack of Availability of Utilities and Water for Future Phases of Development

Water and sewer service to the District will be provided by the City as described under the heading “THE PUBLIC INFRASTRUCTURE.” Failure or inability to complete proposed development including development of necessary utilities could affect adversely development of the land in the District. See “Failure or Inability to Complete Proposed Development” herein. Certain utilities are to be developed by the City pursuant to certain development agreements including as described above. There can be no assurances that such utilities will be financed and developed.

A proven 100-year supply of water to the 3,371 completed homes in Phase I is provided by the City; therefore, no additional assured water supply approvals are required for such homes, which comprise approximately 95% of the current total Net Limited Assessed Property Value within the District. However, the second and future phases of the Development will require an assured water supply to be realized through either: (a) obtaining approval from the Arizona Department of Water Resources (“ADWR”) to convert the demand in the existing 2003 Analysis for Tartesso into Certificates of Assured Water Supply in advance for the lots to be developed, or (b) the City, in the future, successfully obtaining a Designation of Assured Water Supply (“Designation”) for its service area pursuant to applicable Arizona law. While the City has begun to pursue such Designation, there are no assurances that the Designation is achievable in the near future, if ever. In June 2023, ADWR released an updated Phoenix Active Management Area (“AMA”) groundwater model that included the Hassayampa sub-basin, upon which the Development is located, stating that there was not a 100-year supply of groundwater sufficient for the development of new subdivisions located outside of cities with a Designation. The purported lack of a 100-year water supply announced by ADWR resulted in a moratorium on the issuance of new Certificates of Assured Water Supply reliant on the use of groundwater drawn from the Phoenix AMA. While the Owner continues to work with ADWR to reach a solution, the situation has resulted in a pause and delay in the ongoing design and planning for future development, and there is no known timeline for satisfactory resolution at this time. The potential cost of alternative water supply could render future development economically infeasible. Based on the current status, there can be no assurance the Developer will be able to obtain the Certificates of Assured Water Supply needed to authorize future subdivision plats, nor any assurance that the City will obtain the Designation for its service areas, which would be required to support future development beyond the 3,371 currently completed homes in Phase I.

Effect of Valuation of Property

Information is provided herein with respect to the valuation of land within the District. See “SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District.” Such valuation, and particularly decreases therein, may reduce the willingness of landowners to pay the ad valorem taxes securing the Bonds, as well as adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes.

Direct and Overlapping Indebtedness

The ability of an owner of land within the District to pay its *ad valorem* taxes could be affected by the existence of other taxes and assessments imposed upon the property, including special assessment bonds. The District and other political subdivisions whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional *ad valorem* taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. (The existing public debt relating to the District is set forth in “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS.”) The lien created on the property within the District through the levy of *ad valorem* taxes would be on a parity with that for the *ad valorem* taxes securing the Bonds. The imposition of additional parity liens, junior liens, in the case of special assessments, or even private financing, may reduce the ability or willingness of the owners of land within the District to pay the ad valorem property taxes securing the Bonds. In that event, there could be a default in the payment of the Bonds.

From time to time there are legislative proposals in the Arizona Legislature that, if enacted, could alter the basis on which *ad valorem* taxes (including those that secure the Bonds) are assessed, levied and collected and which could affect, among other things, the distribution of the amount of taxes various classifications of property may be obligated to pay. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would affect the Bonds or other obligations issued prior to enactment.

Bankruptcy and Foreclosure Delays

The payment of the ad valorem taxes securing the Bonds and the ability of the District to foreclose the lien of delinquent, unpaid, ad valorem taxes may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not extinguish the ad valorem taxes securing the Bonds, the bankruptcy of a property owner could result in a delay in the foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the Bonds when due. See "SECURITY FOR AND SOURCES OF PAYMENT – *Ad Valorem* Property Taxation in the District."

It should be noted that in the event of a bankruptcy of a taxpayer pursuant to the Bankruptcy Code, the law is currently unsettled as to whether a lien can be attached against the taxpayer's property for property taxes levied during the pendency of the bankruptcy proceedings. Such taxes might constitute an unsecured and possible non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are over secured, and then possibly only on a pro rata basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact the bankruptcy of a property owner might have on the ability of the District to collect ad valorem taxes levied on that property before or during the bankruptcy proceedings. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on the property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover any claim against the debtor or its estate that arose before the commencement of the bankruptcy is automatically stayed pursuant to the Bankruptcy Code. While the stay may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor in bankruptcy would be subject to the stay of bankruptcy court. Furthermore, "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post-bankruptcy petition tax collections become uncertain.

In the event the District is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent years.

It cannot be determined what impact any deterioration of the financial condition of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter, the Financial Advisor, the Owner or their respective counsel, agents or consultants have undertaken any independent investigation of the operations and financial condition of any of the property owners in the District, nor have they assumed responsibility for the same.

In addition, the various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Amendment of Documents Referenced

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

The development of the property within the District is only approximately 32 percent complete. Circumstances could change as the development process continues and other issues are raised or new developers or owners become involved. Accordingly, the Owner anticipates that there may be significant changes to the agreements and contracts summarized in this Official Statement to address any such issues. Because the existing contracts and agreements are subject to change, the summaries of any contracts or agreements contained hereinabove may not accurately reflect the future conditions relating to the development of the District; however, the Owner does not presently anticipate that any modifications of the current contracts or agreements would materially affect the repayment of the Bonds.

Environmental Matters

Property in the District will be subject to risks arising out of environmental, archaeological and biological considerations generally associated with the ownership of real estate and the construction of improvements located thereon. Such risks include, in general, potential liability arising as a result of any contamination later discovered on the site and the possibility of a decline in property values in Tartesso West resulting from any contamination on the site or from the proximity of the site to other contaminated areas; discovery of archaeological artifacts located on the site or in the vicinity of the site; discovery of endangered species of animals, plants or other habitat for endangered species and a determination of the waterways of the United States against dredging or fill. Liability may arise under a variety of federal, state or local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Endangered Species Act and the National Historical Preservation Act. In addition, development may require approvals and actions under the Clean Water Act and the National Environmental Protection Act may limit, delay or change materially the number and type of development on the site.

Forward Looking Statements

Included in this Official Statement are various forecasts and projections. The forecasts and projections are forward looking statements based on assumptions concerning future events and should be viewed with an abundance of caution. Circumstances that may not yet be ascertainable, which the party making the forecasts or projections believes to be significant and which such party cannot control may also exist. There are usually differences between projections and results, because events frequently do not occur as expected, and those differences may be material. There can be no assurances that the various forecasts and projections set forth in this Official Statement can be achieved.

No Review of Filings

As described in footnote (a) to TABLE 4 and under the heading “OWNER”, none of the District, the Underwriter, the Financial Advisor, Bond Counsel or counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, or examined similar information for entities or their parent companies that are not subject to same or similar informational requirements.

Risk of Internal Revenue Service Audit

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

There can be no assurance that an audit by the Service of the Bonds will not be commenced. However, the District has no reason to believe that any such audit will be commenced, or that if commenced, an audit would result in a conclusion of noncompliance with any applicable Service position, regulation or ruling. No rulings have been or will be sought from the Service with respect to any federal tax matters relating to the issuance, purchase, ownership, receipt or accrual of interest upon, or disposition of the Bonds. See also “TAX EXEMPTION” herein.

LITIGATION

No litigation or administrative action or proceeding is pending to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the levy and collection of taxes to pay the debt service on the Bonds, to contest or question the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds. Representatives of the District will deliver a certificate to the same effect at the time of the initial delivery of the Bonds.

LEGAL MATTERS

The Bonds are sold with the understanding that the District will furnish the Underwriter with the approving opinion of Bond Counsel addressing legal matters relating to the validity of the Bonds under Arizona law, and with regard to the tax-exempt status of the interest income thereon (see “TAX EXEMPTION”). The signed legal opinion of Bond Counsel is dated and premised on the law in effect only as of the date of original delivery of the Bonds and will be delivered to the District at the time of original issuance. The fees of Bond Counsel and counsel to the Underwriter are expected to be paid from the proceeds of the sale of the Bonds and are contingent upon delivery of the Bonds.

The proposed text of the legal opinion is set forth as APPENDIX B – “FORM OF LEGAL OPINION OF BOND COUNSEL.” The legal opinion to be delivered may vary from the text of APPENDIX B – “FORM OF LEGAL OPINION OF BOND COUNSEL” if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Bond Counsel has reviewed the information in the tax caption on the cover page as well as the information under the headings “THE BONDS,” “SECURITY FOR AND SOURCES OF PAYMENT,” “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT,” “BOND PREMIUM,” “QUALIFIED TAX-EXEMPT OBLIGATIONS,” “CONTINUING DISCLOSURE” (except as it relates to the District’s compliance with prior continuing disclosure undertakings as to which Bond Counsel expresses no opinion) and “RELATIONSHIP AMONG PARTIES” (but only as it applies to Bond Counsel) and in APPENDICES B – “FORM OF LEGAL OPINION OF BOND COUNSEL” and C – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” but otherwise has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has neither examined nor attempted to examine nor verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona, counsel to the Underwriter and for the Owner by Ballard Spahr LLP, Phoenix, Arizona.

From time to time, there are legislative proposals which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and non-financial, impacting the operations of community facilities districts which could have a material impact on the District and could adversely affect the secondary market value and marketability (liquidity) of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment. The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The financial statements of the District as of June 30, 2023, and for its fiscal year then ended, which are included as Appendix E to this Official Statement, have been audited by Heinfeld, Meech & Co., P.C. as stated in its opinion which appears in Appendix E – “AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023.” The District neither requested nor obtained the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its opinion on the financial statements. In addition, as a “blended component unit” of the City, certain information regarding the District is contained in the City’s comprehensive annual financial reports. The City’s comprehensive annual financial report for the fiscal year ended June 30, 2023, is publically available and is available upon request from the District Treasurer.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District as described below, interest income on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State income taxes. The opinion of Bond Counsel will be dated as of the date of initial delivery of the Bonds. The form of such opinion is included as APPENDIX B – “FORM OF LEGAL OPINION OF BOND COUNSEL” attached hereto.

The Internal Revenue Code of 1986, as amended (the “Code”) imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain of its investment earnings with respect to the Bonds. The District has covenanted to comply with the provisions of the Code relating to such matters and the opinion of Bond Counsel assumes continuing compliance with such covenants. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes, under certain circumstances, from the date of initial issuance. The Bonds do not provide for an adjustment in the interest rate or yield in the event of taxability and an event of taxability does not cause an acceleration of the principal on the Bonds.

The Code also imposes an “alternative minimum tax” upon certain corporations and individuals. A taxpayer’s “alternative minimum taxable income” (“AMTI”) is its taxable income with certain adjustments. Interest income on the Bonds is not an item of tax preference to be included in the AMTI. Notwithstanding the preceding sentence, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Although Bond Counsel will render an opinion that, as of the delivery date of the Bonds, interest income on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect a Beneficial Owner’s (as defined in APPENDIX D – “BOOK-ENTRY-ONLY SYSTEM”) federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers who become Beneficial Owners of the Bonds, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the applicability of such tax consequences to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the Beneficial Owner’s particular tax status and the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

The Bonds are not “private activity bonds” within the meaning of Section 141 of the Code.

From time to time, there are legislative proposals in Congress, which, if enacted or made effective, could alter or amend the federal tax matters referred to above or adversely affect the market value and marketability (liquidity) of the Bonds. Any such change that occurs before initial delivery of the Bonds could cause Bond Counsel to deliver an opinion substantially different from the opinion shown in APPENDIX B – “FORM OF LEGAL OPINION OF BOND

COUNSEL.” The extent of change in Bond Counsel’s opinion cannot be determined at this time. It cannot be predicted whether, when or in what form any such proposal or proposals might be enacted or whether, if enacted, such proposal or proposals would apply to obligations (such as the Bonds) issued prior to the enactment or effective date. Prospective purchasers should consult with their own tax advisors regarding any other pending or proposed federal income tax legislation.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Bonds maturing on July 15, 2044 and July 15, 2047 (collectively, the “Discount Bonds”), are less than the respective amounts payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price (assuming it is the first price at which a substantial amount of that maturity of Discount Bonds was sold, the “OID Issue Price”) of the Discount Bonds and the amount payable at maturity of the Discount Bonds will be treated as “original issue discount.” With respect to a Beneficial Owner who purchases a Discount Bond in the initial public offering at the OID Issue Price and who holds the Discount Bond to maturity, the full amount of original issue discount will constitute interest income which is not includible in the gross income of the Beneficial Owner of the Discount Bond for federal income tax purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Discount Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 15 and July 15 (with straight-line interpolation between compounding dates). The amount of original issue discount accreting each period will be added to the Beneficial Owner’s tax basis for the Discount Bond. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bond. An initial Beneficial Owner of a Discount Bond who disposes of the Discount Bond prior to maturity should consult his or her tax advisor as to the amount of the original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or disposition of the Discount Bond prior to maturity.

The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Discount Bonds. Beneficial Owners who do not purchase the Discount Bonds in the initial offering at the OID Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Discount Bond may result in certain collateral federal income tax consequences as described in “TAX EXEMPTION” herein. Beneficial Owners of Discount Bonds in states other than Arizona should consult their own tax advisors with respect to the state and local tax consequences of owning Discount Bonds.

BOND PREMIUM

The initial public offering prices of the Bonds maturing on July 15, 2025, through and including July 15, 2039 (collectively, the “Premium Bonds”), are greater than the amount payable on such Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner’s yield to maturity. Beneficial Owners of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Board has designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Code, which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. Representatives of the Board will represent and warrant that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2024 will exceed \$10,000,000.

RATINGS

S&P (as defined herein) has assigned the rating of “AA” to the Bonds with the understanding that the Policy will be delivered by the Bond Insurer (as defined herein) simultaneously with the issuance of the Bonds. S&P has also assigned the underlying rating of “BBB+” to the Bonds. Such ratings reflect only the view of S&P. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, CA 94111. Such ratings may be revised or withdrawn entirely at any time by S&P if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Bonds. The District will covenant in its continuing disclosure undertaking with respect to the Bonds that it will file notice of any formal change in any ratings relating to the Bonds. See “CONTINUING DISCLOSURE” and APPENDIX C – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” hereto.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. (“AG” or the “Bond Insurer”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the

above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG (“AGM”), merged with and into AG, with AG as the surviving company (such transaction, the “Merger”). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On July 10, 2024, Moody’s, following Assured Guaranty’s announcement of the Merger, announced that it had affirmed AG’s insurance financial strength rating of “A1” (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG’s financial strength rating of “AA” (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG’s financial strength rating of “AA” (stable outlook).

On October 20, 2023, KBRA announced it had affirmed AG’s insurance financial strength rating of “AA+” (stable outlook). On August 1, 2024, KBRA commented that, following the closing of the Merger, AG’s insurance financial strength rating of “AA+” (stable outlook) remains unchanged.

AG can give no assurance as to any further ratings action that S&P, Moody’s and/or KBRA may take. For more information regarding AG’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AG, AGM and Pro Forma Combined AG

	As of June 30, 2024 (dollars in millions)		
	<u>AG</u> <u>(Actual)</u>	<u>AGM</u> <u>(Actual)</u>	<u>AG</u> <u>(Pro Forma Combined)</u>
Policyholders’ surplus	\$1,649	\$2,599	\$3,960 ⁽¹⁾
Contingency reserve	\$421	\$910	\$1,331
Net unearned premium reserves and net deferred ceding commission income	\$355	\$2,078 ⁽²⁾	\$2,433 ⁽²⁾

⁽¹⁾ Net of intercompany eliminations.

⁽²⁾ Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM or pro forma combined AG, as applicable, and (ii) the net unearned premium reserves and net deferred ceding commissions of Assured Guaranty UK Limited (“AGUK”) and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA (“AGE”).

The policyholders’ surplus, contingency reserves, and net unearned premium reserves and net deferred ceding commission income of AG, AGM, and the pro forma combined AG were determined in accordance with statutory

accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the “SEC”) that relate to AG and AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (filed by AGL with the SEC on February 28, 2024);
- (i) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (filed by AGL with the SEC on May 8, 2024); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (filed by AGL with the SEC on August 8, 2024).

All information relating to AG and AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG and AGM included herein under the caption “BOND INSURANCE – Assured Guaranty Inc.” or included in a document incorporated by reference herein (collectively, the “AG Information”) shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND INSURANCE.”

RISK FACTORS RELATED TO BOND INSURANCE

The following are risk factors relating to bond insurance generally. In the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from *ad valorem* property taxes as described under “SECURITY FOR AND SOURCES OF PAYMENT.” In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer’s financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond

Insurer and of the rating on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter, the Financial Advisor, the Owner or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

UNDERWRITING

The Bonds will be purchased by the Underwriter at an aggregate purchase price of \$6,582,951.90, pursuant to a bond purchase agreement (the “Bond Purchase Contract”) entered into by and between the District and the Underwriter. If the Bonds are sold to produce the yields shown on the inside front cover page hereof, the Underwriter’s compensation will be \$78,960.00. The Bond Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter.

CONTINUING DISCLOSURE

The District will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 in each year commencing February 1, 2025 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District as such will be filed with the MSRB through the Electronic Municipal Market Access System of the MSRB, as described in APPENDIX C – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX C - “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” These covenants will be made in order to assist the Underwriter in complying with the SEC’s Rule 15c2-12(b)(5) (the “Rule”). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. *Pursuant to Arizona Law, the ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds, specifically their market price and transferability.

The District has implemented written procedures to facilitate compliance with the prior undertakings and the continuing disclosure undertaking related to the Bonds and future similar undertakings.

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**INFORMATION REGARDING THE
CITY OF BUCKEYE, ARIZONA**

The following information concerning the City is for background information only as the District lies within the geographical limits of the City. THE BONDS ARE NOT AN OBLIGATION OF THE CITY IN ANY RESPECT. THE BONDS ARE DIRECT GENERAL OBLIGATIONS OF THE DISTRICT, PAYABLE FROM AD VALOREM TAXES LEVIED AGAINST ALL TAXABLE PROPERTY IN THE DISTRICT, AS DESCRIBED UNDER THE HEADING “SECURITY FOR AND SOURCES OF PAYMENT.”

General

The City is located approximately 30 miles from downtown Phoenix, Arizona (“Phoenix”), approximately four miles south of Interstate 10 on State Route 85. The City was founded in 1888 and incorporated in 1929. The City’s municipal boundaries encompass approximately 650 square miles and the City sits at an elevation of 888 feet above sea level. Not all property within the perimeter boundaries of the City is annexed into the City, however, over 392 square miles are annexed into the City.

The following table illustrates respective population statistics for the City, the County, and the State.

POPULATION STATISTICS			
<u>Calendar Years</u>	<u>City of Buckeye</u>	<u>Maricopa County</u>	<u>State of Arizona</u>
2023 Estimate (a)	109,729	4,665,020	7,525,113
2020 Census	91,502	4,420,568	7,151,502
2010 Census	50,876	3,817,117	6,392,017
2000 Census	8,497	3,072,149	5,130,632
1990 Census	4,436	2,122,101	3,665,339
1980 Census	3,434	1,509,175	2,716,546

(a) Estimate as of December 2023.

Source: U.S. Census Bureau, Population Division – *Annual Estimates of the Resident Population*, Arizona Office of Economic Opportunity – *State, County, Place Level Population Estimates for July 1*, and U.S. Census Bureau (2020, 2010, 2000 and 1990) – *Census of Population and Housing*.

Government

The City operates under a Council-Manager form of government. The “Council” is comprised of the Mayor and six Councilmembers. The Mayor is elected at large every four years. Councilmembers each represent a district and are elected to staggered four-year terms. The Council appoints a Manager who has full responsibility for carrying out Council policies and administering operations.

The City provides a portion of its residents with water and sewer services; electricity is provided by Arizona Public Service Company, natural gas is provided by Southwest Gas Company and telephone service is provided by CenturyLink Communications Inc. In some areas of the City, water and/or sewer services are provided by private utility companies.

Economy

The Roosevelt Irrigation District and Buckeye Water Conservation and Drainage District canals provide a renewable supply of water for the City’s farming needs. Employment for the City’s residents is provided by agricultural activity services, education, government and the nearby Palo Verde Nuclear Plant. The Palo Verde Nuclear Plant is located approximately 20 miles west of the City and is outside the boundaries of the City. The close proximity of the City to the greater Phoenix metropolitan area also provides employment. Part of the City’s agricultural production includes Pima cotton which is processed in local cotton gins and exported worldwide. See below for certain historic employment information and a list of major employers located in and within close proximity of the City.

MAJOR EMPLOYERS City of Buckeye, Arizona

Employer	Description	Approximate Number of Employees
Walmart	Retail	1,470
State of Arizona	Government	1,020
City of Buckeye	Government	650
Buckeye Elementary School District No. 33	Education	490
Fry's Food Stores	Education	490
Clayton Homes Inc.	Homebuilder	440
Litchfield Elementary School District No. 79	Education	400
Funko LLC	Distribution	300
The Odyssey Preparatory Academy	Education	190
Liberty Elementary School District No. 25	Education	170

Source: Maricopa Association of Governments, Employer Database.

The table below illustrates the unemployment rate averages for the City.

UNEMPLOYMENT RATE AVERAGES

Calendar Year	City of Buckeye (a)
2024 (b)	4.1%
2023	4.6
2022	4.5
2021	6.1
2020	8.1
2019	5.0

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Substate area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data is not seasonally adjusted, is preliminary and is an average of January 2024 through July 2024. Data accessed September 4, 2024.

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

The County's economy is based on high technology manufacturing, light manufacturing and commercial activities (including construction and trade), tourism, government and agriculture. The table below illustrates the employment structure of the County.

**NON-AGRICULTURAL EMPLOYMENT STRUCTURE
Maricopa County, Arizona**

	2024 Percent of Total (a)
Mining and construction	7.2%
Manufacturing	6.0
Trade, transportation and utilities	19.5
Information	1.7
Financial activities	8.8
Professional and Business Services	16.4
Educational and Health Services	17.1
Leisure and Hospitality	10.2
Services and miscellaneous	3.2
Government	9.9
Total	100.0%

(a) Data through July 2024.

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

**LABOR FORCE AND NONFARM EMPLOYMENT
Maricopa County, Arizona**

	2024 (a)	2023	2022	2021	2020	2019
Mining and construction	169,000	157,900	150,500	139,100	135,100	134,300
Manufacturing	140,900	128,200	134,200	133,700	129,900	129,700
Trade, transportation, and utilities	460,000	446,200	444,600	427,100	401,900	399,000
Information	40,000	41,100	42,600	39,700	37,400	40,000
Financial activities	208,400	217,200	214,800	214,300	206,600	200,500
Professional and business services	385,600	390,800	385,500	367,400	352,200	362,400
Educational and health services	401,500	371,400	353,500	339,100	329,300	332,300
Leisure and hospitality	239,500	236,000	227,300	206,200	187,200	227,100
Other services	75,700	68,100	70,400	66,800	60,100	68,400
Government	234,200	224,600	215,800	216,500	218,400	222,100
	2,354,800	2,281,500	2,239,200	2,149,900	2,058,100	2,115,800

(a) Data through July 2024.

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

Commerce

The following table illustrates taxable sales collections for the City.

MUNICIPAL PRIVILEGE TAX COLLECTIONS
City of Buckeye, Arizona
(\$000s omitted)

Fiscal Year	Amount
2022/23	\$73,679
2021/22	62,067
2020/21	52,929
2019/20	40,276
2018/19	33,415

Source: Arizona Department of Revenue, Municipal Privilege Tax Collection Program.

Bank Deposits

The following table illustrates bank deposits for the County.

BANK DEPOSITS
Maricopa County, Arizona
(in millions)

Fiscal Year	Amount
2023	\$163,826
2022	178,327
2021	158,003
2020	132,017
2019	107,879

Source: Federal Deposit Insurance Corporation.

FORM OF LEGAL OPINION OF BOND COUNSEL

[Closing Date]

District Board
Tartesso West Community Facilities District
(City of Buckeye, Arizona)

Re: Tartesso West Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2024

Honorable Board:

At your request we have examined the official proceedings leading to the issuance of \$6,580,000 aggregate principal amount of Tartesso West Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2024 (the “*Bonds*”), dated [Closing Date], issued by the Tartesso West Community Facilities District (City of Buckeye, Arizona) (the “*District*”).

We have examined the law and such documents and matters as we have deemed necessary to render this opinion including, without limitation, Resolution No. 05-24, passed and adopted by the Board of Directors of the District (the “*District Board*”) on May 7, 2024 (the “*Resolution*”). As to questions of fact material to our opinion we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certifications, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

Based upon the foregoing, we are of the opinion, as of this date, which is the date of initial delivery of the Bonds against payment therefor, that:

1. The District is duly created and validly existing as a community facilities district and political subdivision of the State of Arizona with power to pass and adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Resolution has been duly passed and adopted by the District Board and is valid and binding upon and enforceable against the District.
3. The Bonds and the proceedings leading to and including the issuance thereof are legal and constitute a valid and binding general obligation of the District.
4. All taxable property within the District is subject to the levy of a direct, annual, ad valorem tax to pay the principal of and interest on the Bonds without limit as to rate or amount. It is required by law that there be levied, assessed and collected, at the same time and in the same manner as other taxes of the District, an annual tax upon the taxable property in the District sufficient, together with any money from other sources lawfully available to pay the principal of and interest on the Bonds when due.
5. Under existing laws, regulations, rulings and judicial decisions, the interest income on the Bonds is excludable from gross income for the purpose of calculating federal income taxes and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income

of applicable corporations (as defined in Section 59(k) of the Code (as defined herein)) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The Bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain of the investment earnings with respect to the Bonds. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes from their date of issuance. The District has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the Bonds. For purposes of this opinion we have assumed continuing compliance by the District with such restrictions, conditions and requirements.

The rights of the owners of the Bonds and the enforceability of those rights and the rights and obligations of the District with respect to the Resolution and to collection of taxes may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights and the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

GUST ROSENFELD P.L.C.

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

\$6,580,000

TARTESSO WEST COMMUNITY FACILITIES DISTRICT

(CITY OF BUCKEYE, ARIZONA)

GENERAL OBLIGATION BONDS, SERIES 2024

(CUSIP BASE NUMBER 876498)

This Undertaking is executed and delivered by Tartesso West Community Facilities District (City of Buckeye, Arizona) (the “Issuer”), in connection with the issuance of the captioned municipal securities (the “Securities”) for the benefit of the owners of the Securities, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

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

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

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

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

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

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

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

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

Section 2. Contents and Provision of Annual Reports.

(a) (i) ***SUBJECT TO ANNUAL APPROPRIATION TO COVER THE COSTS OF PREPARATION AND MAILING THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2025, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.***

(ii) ***IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.***

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

(A) Information of the type in TABLES 2, 3, 4, 6 and 7 of the Official Statement, dated October 10, 2024, with respect to the Securities.

(B) Audited financial statements for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. ***IF THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

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

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

Section 3. Reporting of Listed Events.

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

(i) Principal and interest payment delinquencies.

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

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

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

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

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

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

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

(ix) Defeasances.

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

(xi) Rating changes.

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

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

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

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

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

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

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

(c) ***SUBJECT TO ANNUAL APPROPRIATION TO COVER THE COSTS OF PREPARATION AND MAILING THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS THEREAFTER, FILE A NOTICE OF LISTED EVENT OF SUCH OCCURRENCE THROUGH EMMA.***

Section 4. Termination of Reporting Obligation. The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. ***SUBJECT TO ANNUAL APPROPRIATION TO COVER THE COSTS OF PREPARATION AND MAILING THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH***

TERMINATION THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.

Section 5. Amendment or Waiver.

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

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

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

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

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

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs

and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Dated: [Closing Date]

TARTESSO WEST COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)

By.....
Chairman, Board of Directors

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BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Bond Registrar and Paying Agent for DTC.

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

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the

Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

APPENDIX E

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023

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Independent Auditor's Report

Board of Directors
Tartesso West Community Facilities District

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Tartesso West Community Facilities District (District), a component unit of the City of Buckeye, Arizona, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tartesso West Community Facilities District, as of June 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Tartesso West Community Facilities District, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 30, 2022

BASIC FINANCIAL STATEMENTS



TARTESSO WEST COMMUNITY FACILITIES DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities
ASSETS	
Cash and investments	\$ 1,371,557
Receivables, net	5,912
Total assets	1,377,469
 LIABILITIES	
Accounts payable	463
Matured debt interest payable	361,634
Noncurrent liabilities:	
Due within one year	620,000
Due in more than one year	19,016,979
Total liabilities	19,999,076
 Net position:	
Unrestricted	(18,621,607)
Total net position	\$ (18,621,607)

The notes to the basic financial statements are an integral part of this statement.

TARTESSO WEST COMMUNITY FACILITIES DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
			<u>Governmental Activities</u>
Governmental activities:			
General government	\$ 44,001	\$ -	\$ (44,001)
Interest on long-term debt	722,952	-	(722,952)
Total governmental activities	<u>766,953</u>	<u>-</u>	<u>(766,953)</u>
General revenues:			
Taxes:			
Property taxes			<u>1,484,334</u>
Total general revenues			<u>1,484,334</u>
Change in net position			717,381
Net position - beginning			<u>(19,338,988)</u>
Net position - ending			<u>\$ (18,621,607)</u>

The notes to the basic financial statements are an integral part of this statement.

TARTESSO WEST COMMUNITY FACILITIES DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 228,507	\$ 1,143,050	\$ 1,371,557
Receivables, net			
Intergovernmental	413	5,499	5,912
Total assets	<u>\$ 228,920</u>	<u>\$ 1,148,549</u>	<u>\$ 1,377,469</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 463	\$ -	\$ 463
Matured debt principal payable	-	620,000	620,000
Matured debt interest payable	-	361,634	361,634
Total liabilities	<u>463</u>	<u>981,634</u>	<u>982,097</u>
Fund balances:			
Restricted			
Debt Service	-	166,915	166,915
Unassigned	228,457	-	228,457
Total fund balances	<u>228,457</u>	<u>166,915</u>	<u>395,372</u>
Total liabilities and fund balances	<u>\$ 228,920</u>	<u>\$ 1,148,549</u>	<u>\$ 1,377,469</u>

The notes to the basic financial statements are an integral part of this statement.

TARTESSO WEST COMMUNITY FACILITIES DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total governmental fund balances	\$	395,372
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Some liabilities, including bonds payable are not due and payable in the current year and therefore are not reported in the funds.</p>		
Bonds payable		(18,290,000)
Premiums and discounts		(726,979)
		(19,016,979)
Total net position of governmental activities	\$	(18,621,607)

The notes to the basic financial statements are an integral part of this statement.

TARTESSO WEST COMMUNITY FACILITIES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes			
Property taxes	\$ 103,993	\$ 1,380,341	\$ 1,484,334
Total revenues	<u>103,993</u>	<u>1,380,341</u>	<u>1,484,334</u>
EXPENDITURES			
Current:			
General government	44,001	-	44,001
Principal retirement	-	620,000	620,000
Interest and fiscal charges	250	753,674	753,924
Total expenditures	<u>44,251</u>	<u>1,373,674</u>	<u>1,417,925</u>
Excess (deficiency) of revenues over expenditures	<u>59,742</u>	<u>6,667</u>	<u>66,409</u>
Fund balances - beginning	<u>168,715</u>	<u>160,248</u>	<u>328,963</u>
Fund balances - ending	<u>\$ 228,457</u>	<u>\$ 166,915</u>	<u>\$ 395,372</u>

The notes to the basic financial statements are an integral part of this statement.

TARTESSO WEST COMMUNITY FACILITIES DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds \$ 66,409

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position. Likewise, refunding and defeasance of existing debt reduces the balance of long-term debt without adding additional debt. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these items are deferred and amortized over the term of the long-term debt in the statement of activities.

Principal payments on long-term debt	620,000	
Amortization of discount	(5,839)	
Amortization of premium	<u>36,811</u>	
		650,972
Change in net position of governmental activities		<u>\$ 717,381</u>

The notes to the basic financial statements are an integral part of this statement.

TARTESSO WEST COMMUNITY FACILITIES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL- GENERAL FUND
YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amount Budgetary Basis</u>	<u>Variance Between Final Budget and Actual Amounts</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 134,540	\$ 134,540	\$ 103,993	\$ (30,547)
Total revenues	<u>134,540</u>	<u>134,540</u>	<u>103,993</u>	<u>(30,547)</u>
EXPENDITURES				
Current:				
General government	15,000	20,000	44,001	(24,001)
Highway and streets	90,000	90,000	-	90,000
Fiscal charges	1,500	1,500	250	1,250
Contingency	128,849	123,849	-	123,849
Total expenditures	<u>235,349</u>	<u>235,349</u>	<u>44,251</u>	<u>191,098</u>
Excess (deficiency) of revenues over (under) expenditures	(100,809)	(100,809)	59,742	160,551
Fund balances - beginning	100,809	100,809	168,715	67,906
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,457</u>	<u>\$ 228,457</u>

The notes to the basic financial statements are an integral part of this statement.

Notes to Financial Statements – Year Ended June 30, 2023**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Tartesso West Community Facilities District (District) is a special purpose district created specifically to acquire or construct public infrastructure within specific areas of the City of Buckeye, Arizona, and is authorized under state law to issue general obligation (GO) or revenue bonds to be repaid by property (ad valorem) taxes levied on property within the District (for GO debt), or by specific revenues generated within the District (revenue bonds). The District was created by petition to the city council by property owners within the area to be covered by the District, and debt may be issued only after approval of voters within the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District, a component unit of the City of Buckeye, Arizona (City), was established (November 2, 2004), and is a political subdivision of the State of Arizona as well as a municipal corporation by Arizona Law. The City Council serves as the Board of Directors. All transactions of the District are included in the City's financial statements. However, the City has no liability for the debt.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the non-fiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by tax revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. All other revenue items are considered to be measurable and available only when cash is received by the government. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are

recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. As permitted by generally accepted accounting principles, the District applies the “early recognition” option for debt service payments. Property tax resources are provided in Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore the expenditures and related liabilities have been recognized.

Property taxes and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The District reports all funds as major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operations except those required to be accounted for in other funds.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

D. Cash and Investments

Arizona Revised Statutes (A.R.S.) authorize the District to invest public monies in the State Treasurer’s Local Government Investment Pool, interest-bearing savings account, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, school districts, and special districts as specified by statute.

Cash represents amounts in demand deposits and amounts held in trust by financial institutions. The funds held in trust are available to the District upon demand. Cash equivalents as defined as short-term (original maturities of three months or less), highly liquid investments that are 1) readily convertible to known amounts of cash and 2) so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

E. Investment Income

Investment income is comprised of interest, dividends, and net changes in the fair value of applicable investments.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

G. Property Taxes

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The District levies real property taxes on or before the third Monday in August, which become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

Pursuant to A.R.S., a lien against assessed real property attaches on the first day of January preceding assessment and levy, however according to case law, an enforceable legal claim to the asset does not arise.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

I. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Net Position Flow Assumption

In the government-wide financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

K. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

L. Budgetary Data

According to state statutes, the District must adopt a budget on an annual basis. There are no statutory spending limitation but the District cannot spend more than actual revenues collected plus carryover unrestricted cash balance from the prior fiscal year. There were no supplemental budgetary appropriations made during the year.

M. Deficit Net Position

As described previously, the District was formed to finance and acquire or construct infrastructure assets that are subsequently dedicated to the City for operation. The District does not own or operate infrastructure. Therefore, the Statement of Net Position reflects a large liability without an offsetting asset.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Fund balances of the governmental funds are reported separately within classifications based on hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Directors or a management official delegated that authority by the formal Governing Board action. The District has adopted the City’s policy on which only the Board of Directors or the District’s Treasurer may assign amounts for specific purposes.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 3 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

In the General and Debt Service Funds, the following line item accounts exceeded the amounts budgeted. The Board adopts the expenditure appropriations at the District level. For presentation purposes, we have elected to show any deficits at the line item level within the Fund, all of which was funded by available fund balances within the General and Debt Service Funds.

Tartesso West CFD

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance Between Final Budget and Actual Amounts
	Adopted	Final		
General Fund:				
Current:				
General government	15,000	20,000	44,001	(24,001)
Debt Service Fund:				
Debt Service:				
Interest and fiscal charges	725,399	725,399	753,674	(28,275)

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. The cash is in a repurchase sweep agreement rather than held as a deposit. At year end, the carrying amount of the District’s deposits and bank balance was \$1,371,557, all of which was covered by collateral in the City’s name as part of the Arizona State Treasurer’s Statewide Pooled Collateral Program.

NOTE 5 – GENERAL OBLIGATION BONDS PAYABLE

The District is a special purpose district created specifically to acquire or construct public infrastructure within specific areas of the City of Buckeye, Arizona. The District is authorized under state law to issue special assessment (SA) revenue bonds to be repaid by the property within the SA District, general obligation (GO) bonds to be repaid by property (ad valorem) taxes levied on property within the District (for GO debt), or revenue bonds to be repaid by specific revenues generated within the District (revenue bonds). The District has \$151.0 million of authorized GO bonds authority remaining. The District was created by petition to the City Council by property owners within the area to be covered by the District. The District comprises approximately 5,396 acres.

General Obligation Bonds

The CFD Board of Directors has pledged revenue derived from property taxes levied on the real property of the Tartesso West CFD to repay \$6,430,000 in general obligation refunding bonds issued August 2018. The proceeds of the refunding bonds were used to refund \$6,221,000 of outstanding Series 2005 and 2007 general obligation bonds. The bonds are payable from property taxes levied on properties within the District. The total principal remaining to be paid on the bonds is \$4,465,000. The total principal paid during the year was \$415,000.

The CFD Board of Directors has pledged revenue derived from property taxes levied on the real property of the Tartesso West CFD to repay \$7,310,000 in general obligation bonds issued September 2021. Proceeds were used for the acquisition and construction of public infrastructure. The remaining total principal to be paid being \$6,865,000. The total principal paid during the year was \$205,000.

The CFD Board of Directors has pledged revenue derived from property taxes levied on the real property of the Tartesso West CFD to repay \$6,960,000 in general obligation bonds issued June 2022. Proceeds were used for the acquisition and construction of public infrastructure. The remaining total principal to be paid being \$6,960,000. There was no principal payment made during the year.

The following table shows interest rate, maturity date, original issue amount, amount outstanding, and all debt issued by the District.

Notes to Financial Statements

June 30, 2023

Purpose	Interest Rates (%)	Matures	Original Issue Amount	Amount Outstanding
Tartesso West General Obligation Bonds, Refunding, Series 2018 (private placement)	3.47%	July 2032	\$ 6,430,000	\$ 4,465,000
Series 2021	3.0 - 4.0%	July 2046	7,310,000	6,865,000
Series 2022	4.25% - 4.5%	July 2045	6,960,000	6,960,000
Total Tartesso			<u>\$20,700,000</u>	<u>\$18,290,000</u>

Annual debt service requirements to maturity on general obligation bonds at year-end are summarized as follows:

Fiscal Year Ending	Private Placement		Public Offering		Total Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 430,000	\$ 154,936	\$ 210,000	\$ 547,781	\$ 640,000	\$ 702,717
2025	445,000	140,014	215,000	541,481	660,000	681,495
2026	465,000	124,573	215,000	535,031	680,000	659,604
2027	480,000	108,438	225,000	528,581	705,000	637,019
2028	490,000	91,782	240,000	521,831	730,000	613,613
2029-33	2,155,000	190,502	1,695,000	2,497,706	3,850,000	2,688,208
2034-38	-	-	3,800,000	2,014,956	3,800,000	2,014,956
2039-43	-	-	4,645,000	1,164,713	4,645,000	1,164,713
2044-48	-	-	2,580,000	191,725	2,580,000	191,725
	<u>\$ 4,465,000</u>	<u>\$ 810,245</u>	<u>\$ 13,825,000</u>	<u>\$ 8,543,806</u>	<u>\$ 18,290,000</u>	<u>\$ 9,354,051</u>

NOTE 5 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows:

Notes to Financial Statements

June 30, 2023

	July 1, 2022	Increases	Decreases	June 30, 2023	Due Within One Year
Governmental Activities:					
Bonds payable:					
General Obligations	\$ 18,910,000	\$ -	\$ (620,000)	\$ 18,290,000	\$ -
Deferred amount on premium	885,575	-	(36,811)	848,764	-
Deferred amount on discount	(127,624)	-	5,839	(121,785)	-
Total bonds payable	<u>\$ 19,667,951</u>	<u>\$ -</u>	<u>\$ (650,972)</u>	<u>\$ 19,016,979</u>	<u>\$ -</u>

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. The District’s insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the District is a participating member. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has authority to assess its member’s additional premiums should reserves and annual premium be insufficient to meet the pool’s obligations.

APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)