



# N·C·S·D

Northstar Community Services District  
900 Northstar Drive, Truckee, CA 96161  
P: 530.562.0747 • F: 530.562.1505 • www.northstarcsd.org

#### *Board of Directors*

John Radanovich, President  
Warren "Chip" Brown  
Nancy Ives  
Marilyn Fomi  
Candace Roeder

#### *General Manager*

Mike Geary, PE

## **NORTHSTAR COMMUNITY SERVICES DISTRICT NOTICE OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**DATE: MAY 29, 2026**  
**TIME: 3:30 P.M.**  
**PLACE: 900 NORTHSTAR DRIVE AND ZOOM**

Members of the public may participate in this meeting by teleconference or in person. Any person interested in attending by Zoom video and/or teleconference may use the following link:

<https://us02web.zoom.us/j/83937686771?pwd=rFD57O5CutAoFAITWXLDrIR1Cjq0FZ.1>

Meeting ID: 839 3768 6771, Password 740264 or dial by telephone 1-669-900-6833 using access code #83937686771.

### **CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL**

### **PUBLIC COMMENT**

Any member of the public may address the Board after roll call on any topic related to the District that is not on the agenda. Public comment will be taken on agenda action items immediately prior to Board action.

Any member of the public on the videoconference may speak during Public Comment or may email public comments to [juliez@northstarcsd.org](mailto:juliez@northstarcsd.org) and comments will be read from each member of the public, subject to generally applicable time limitations. For members of the public in attendance via video conference, Northstar Community Services District will use best efforts to swiftly resolve requests for reasonable modifications or accommodations with individuals with disabilities, consistent with the Americans with Disabilities Act, and resolving any doubt whatsoever in favor of accessibility.

### **NEW BUSINESS**

1. Northstar Community Facilities District #1 – Assorted Legal Agreements – Sheriff's Sales – Discussion – **Action** (GM Geary)

Recommended actions:

Authorize the General Manager, with the concurrence of legal counsel, to execute all documents necessary to permit such Special Purpose Entit(ies) formed by the Bond Trustee pursuant to the Findings of Fact, Conclusions of Law, Directions, and Order for Judgment entered in State of Minnesota, County of Hennepin Court File No. 27-TR-CV-25-15, to acquire, market and resell those certain parcels that are the subject of judgments of judicial foreclosure held by Community Facilities District No. 1 of the Northstar Community Services District, including in Placer County Case Nos. S-CV-0042801, S-CV-0043081, and S-CV-0051848. Such documents include, but are not limited to:

- A. An Assignment of each Judgment;
- B. An Acknowledgment of Assignment of each Judgment;
- C. A Forbearance Agreement;
- D. A Tri-Party Agreement with the Trustee and the Special Purpose Entity.

All in substantially the form attached hereto.

**CLOSED SESSION PURSUANT TO AGENDA ITEMS 2 THROUGH 4.**

- 2. Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2) - One potential case.
- 3. Pending litigation pursuant to Government Code Section 54956.9(d)(1)
  - a. Northstar Community Services District v. Mountainside California 2, LLC et al. Placer County Superior Court Case No. S-CV-0051848
  - b. Community Facilities District No. 1 of the Northstar Community Services District v. ACM Northstar et al. Placer County Superior Court Case No. S-CV-0042801
  - c. Community Facilities District No. 1 of the Northstar Community Services District v. Mountainside California 2, LLC et al. Placer County Superior Court Case No. S-CV-0043081
- 4. Personnel Matters (Government Code Section §54957(b)(1)). Public Employee Performance Evaluation - Position Title: General Manager

**ADJOURNMENT**

**Items may not be taken in the order listed above.**

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, then please contact Julie Zangara at (530) 550-6127 or (530) 562-1505 (fax). Requests must be made as early as possible and at least one full business day before the start of the meeting. NCSD will endeavor to accommodate requests made with less notice than that.



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**General Manager**  
Mike Geary, PE

## **Northstar Community Facilities District #1** **Assorted Legal Agreements – Sheriff's Sales**

**DATE:** May 29, 2026

**TO:** District Board Members

**FROM:** Mike Geary, General Manager

**SUBJECT:** Authorization to Execute Documents Related to June 3, 2026 Sheriff's Sales for CFD No. 1 Judicial Foreclosure Judgments

**BACKGROUND:** Community Facilities District No. 1 of the Northstar Community Services District ("CFD No. 1") previously issued special tax bonds to finance public improvements serving the Northstar development. The bonds are payable from special taxes levied on taxable parcels within CFD No. 1. Certain undeveloped parcels have been delinquent in payment of special taxes for multiple years, resulting in events of default under the bond indenture and requiring the District, acting through CFD No. 1, to pursue judicial foreclosure actions to enforce collection of delinquent special taxes.

CFD No. 1 obtained foreclosure judgments, or related judicial foreclosure relief, in Placer County Superior Court Case Nos. S-CV-0042801, S-CV-0043081, and S-CV-0051848. Sheriff's sales for the affected parcels are scheduled for June 3, 2026. The District's bond trustee, UMB Bank, N.A. ("Trustee"), has obtained authority through the Minnesota trust instruction proceeding to create, or cause to be created, one or more special purpose entities to acquire, hold, maintain, market, and resell the parcels for the benefit of the bond trust estate and CFD No. 1.

The Trustee has formed Northstar TE LLC as the special purpose entity currently contemplated to participate in the Sheriff's sales. To allow the special purpose entity to credit bid at the Sheriff's sales and to establish the framework for management, disposition, and treatment of the parcels after acquisition, the attached documents have been prepared by legal counsel for Board consideration and approval in substantially final form.

**DISCUSSION:** The proposed action would authorize the General Manager, with the concurrence of legal counsel, to execute all documents necessary to permit the Trustee's special purpose entity, and any additional special purpose entity formed pursuant to the Minnesota court order, to acquire, market, and resell the parcels that are the subject of CFD No. 1's judicial foreclosure judgments.

The documents presented for approval include the following:

- Assignments of Judgment of Judicial Foreclosure and Right to Credit Bid at Sheriff's Sale for Placer County Case Nos. S-CV-0042801, S-CV-0043081, and S-CV-0051848. These assignments transfer the District's or CFD No. 1's interests in the foreclosure judgments, including the right to credit bid at the Sheriff's sales, to Northstar TE LLC or another Trustee-controlled special purpose entity approved by legal counsel.
- Acknowledgments of Assignment of Judgment. These documents are intended to acknowledge and facilitate the assignment of each judgment in the applicable foreclosure actions.
- Tri-Party Agreement among CFD No. 1, the Trustee, and Northstar TE LLC. This agreement establishes the framework under which the special purpose entity may administer, control, manage, maintain, market, lease, sell, or otherwise dispose of delinquent property acquired through the foreclosure process. It also addresses funding of the special purpose entity, insurance, books and records, distribution of sale proceeds, preservation of the indenture, possible conveyance of property to CFD No. 1 under specified circumstances, and related administrative provisions.
- Forbearance Agreement among CFD No. 1, the Trustee, and Northstar TE LLC. This agreement provides for conditional forbearance of special tax collection on property owned by the special purpose entity during the forbearance period, while preserving the priority of the special tax liens and the Trustee's ability to terminate the forbearance as provided in the agreement and in accordance with California law.

The structure recommended by the Trustee and legal counsel is intended to avoid a situation in which the Sheriff's sales proceed without an entity able to credit bid the judgment amounts and take title for the orderly disposition of the parcels. The Minnesota court order recognizes that title and development issues may affect the marketability and value of the delinquent parcels, and that coordinated management, additional legal work, consultant work, and eventual marketing or resale may be needed to maximize recovery for the bond trust estate and CFD No. 1.

The proposed Board authorization is intentionally broad enough to allow the General Manager and legal counsel to finalize blanks, conforming edits, dates, exhibits, party names, signatures, notary acknowledgments, and any non-substantive revisions needed before the June 3, 2026 Sheriff's sales. Any material change to the business terms of the attached agreements would be reviewed with legal counsel before execution.

**ALTERNATIVES:**

1. Approve the recommended authorization, allowing the General Manager and legal counsel to finalize and execute the documents in substantially the attached form before the June 3, 2026 Sheriff's sales.
2. Approve the documents with specific Board-directed revisions, provided the revisions can be reviewed and approved by legal counsel and incorporated without delaying the Sheriff's sales.
3. Decline or delay approval. This alternative is not recommended because it could prevent the Trustee's special purpose entity from credit bidding at the Sheriff's sales, could reduce the likelihood of an orderly disposition of the parcels, and could adversely affect the potential recovery for CFD No. 1 and the bond trust estate.

**FISCAL/RESOURCE IMPACTS:** No additional appropriation from the District's unrestricted operating funds is requested by this action. District staff and legal counsel time will be required to finalize and execute the documents and coordinate with the Trustee, the special purpose entity, and the Sheriff's office before the sales. Under the Tri-Party Agreement, costs necessary to operate the special purpose entity and maintain the delinquent property are expected to be funded from the bond trust estate and/or revenues from the sale of all or a portion of the delinquent property, subject to the terms of the agreement and applicable bond documents. Any cash proceeds received by the special purpose entity from sale of the property are to be applied first to approved company fees and expenses and then to the Trustee to be applied in accordance with the indenture.

**RECOMMENDATION:** Authorize the General Manager, with the concurrence of legal counsel, to execute all documents necessary to permit such Special Purpose Entit(ies) formed by the Bond Trustee pursuant to the Findings of Fact, Conclusions of Law, Directions, and Order for Judgment entered in State of Minnesota, County of Hennepin Court File No. 27-TR-CV-25-15, to acquire, market and resell those certain parcels that are the subject of judgments of judicial foreclosure held by Community Facilities District No. 1 of the Northstar Community Services District, including in Placer County Case Nos. S-CV-0042801, S-CV-0043081, and S-CV-0051848.

Such documents include, but are not limited to:

- A. An Assignment of each Judgment;
- B. An Acknowledgment of Assignment of each Judgment;
- C. A Forbearance Agreement;
- D. A Tri-Party Agreement with the Trustee and the Special Purpose Entity.

All in substantially the form attached hereto.

**ATTACHMENTS:**

1. Findings of Fact, Conclusions of Law, Directions, and Order for Judgment, Minnesota District Court, Court File No. 27-TR-CV-25-15.
2. Assignment of Final Judgment of Judicial Foreclosure and Right to Credit Bid at Sheriff's Sale - Case No. S-CV-0042801
3. Assignment of Final Judgment of Judicial Foreclosure and Right to Credit Bid at Sheriff's Sale - Case No. S-CV-0043081
4. Assignment of Final Judgment of Judicial Foreclosure and Right to Credit Bid at Sheriff's Sale - Case No. S-CV-0051848
5. Acknowledgment of Assignment of Judgment
6. Forbearance Agreement
7. Tri-Party Agreement

**DATE PREPARED:** May 27, 2026

STATE OF MINNESOTA  
COUNTY OF HENNEPIN

DISTRICT COURT  
FOURTH JUDICIAL DISTRICT  
PROBATE/MENTAL HEALTH DIVISION  
CASE TYPE: OTHER CIVIL

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In the Matter of:

Court File No. 27-TR-CV-25-15

The Trust under that certain Trust Indenture dated as of November 1, 2005 (as supplemented), between the Northstar Community Services District Community Facilities District No. 1 and UMB Bank, N.A., as Successor Trustee.

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW,  
DIRECTIONS, AND ORDER FOR  
JUDGMENT**

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The Court held a hearing on April 9, 2025, using remote technology, on the Verified Petition (the "Petition") of UMB Bank, N.A. ("UMB"), not individually but solely in its capacity as successor trustee ("Successor Trustee" or "Trustee") of the above-described trust (the "Trust"). The Trustee filed the Petition pursuant to Minn. Stat. § 501C.0202(1), (4) and (24), seeking an order and instructions relating to administration of the Trust. Peter Kieselbach, Esq. of Greenberg Traurig, LLP appeared on behalf of the Trustee. Michael Slade appeared and testified as a representative of Trustee. Other appearances are as noted on the record. Based on the Petition, the testimony of the Trustee, and the proceedings herein, the Court hereby makes the following Findings of Fact, Conclusions of Law, Directions, and Order for Judgment:

## **FINDINGS OF FACT**<sup>1</sup>

### **A. The Issuer Issued the Special Tax Bonds to Finance Certain Costs Relating to the Northstar Development**

1. The Northstar Community Services District Community Facilities District No. 1 (the “Issuer”) is a special district formed in May 2005 by the Northstar Community Services District under the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 *et seq.* of the California Government Code (“Act”). The California legislature enacted the Act to provide an alternative method of financing public capital facilities and services in support of development in the state.

2. In 2005, 2006, and 2014, the Issuer issued three series of bonds: (a) the \$56,125,000 Northstar Community Services District Community Facilities District No. 1 Special Tax Bonds, Series 2005 (the “2005 Bonds”); (b) the \$58,590,000 Northstar Community Services District Community Facilities District No. 1 Special Tax Bonds, Series 2006 (the “2006 Bonds”); and (c) the \$19,320,000 Northstar Community Services District Community Facilities District No. 1 Special Tax Refunding Bonds, Series 2014 (the “2014 Bonds” and together with the 2005 Bonds and the 2006 Bonds, the “Special Tax Bonds”).

3. The Issuer issued the Special Tax Bonds pursuant to that certain Trust Indenture dated as of November 1, 2005 (“Original Indenture”), as supplemented by that certain First Supplemental Trust Indenture dated as of December 1, 2006 (“First Supplemental Indenture”), as further supplemented by that certain Second Supplemental Trust Indenture dated as of July 1, 2014 (“Second Supplemental Indenture” and together with the Original Indenture and the First Supplemental Indenture, the “Indenture”), between the Issuer and Wells Fargo Bank, National

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<sup>1</sup> If any of the following findings of fact constitute conclusions of law, they are adopted as such.

Association, the original trustee (“Prior Trustee”). The Original Indenture, First Supplemental Indenture, and Second Supplemental Indenture were admitted into evidence as Hearing Exhibit A, Hearing Exhibit B, and Hearing Exhibit C, respectively.

4. The Issuer issued the Special Tax Bonds to, among other things, finance costs to construct public improvements benefitting +/ 456.27 acres of land located within the Issuer’s boundaries, known as the “Northstar Development.” The Northstar Development is part of a larger 8,000-acre ski resort known as the “Northstar-at-Tahoe Resort” in Placer County, California.

5. The Special Tax Bonds are limited obligations of the Issuer, re-payable solely from Special Taxes levied on certain non-exempt real property in the Northstar Development (the “Taxable Parcel(s)”), as well as monies on deposit in the Special Tax Fund under the Indenture.

6. In July 2022, UMB was appointed Successor Trustee under the Indenture. UMB is a national banking association organized and existing under the laws of the United States. UMB has a trust office in Hennepin County, Minnesota, located at 120 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402, where it conducts trust administration under the Indenture.

7. The owners of the Special Tax Bonds (collectively, the “Bondowners”) are the beneficiaries of the Trust formed by the Indenture. Because the Special Tax Bonds are held in book-entry form through the Depository Trust Company and trade on the public market, the Trustee does not know the identities of any Bondowners unless they identify themselves to the Trustee.

**B. Macro-Economic Events and Owner/Operator Turnover Have Impaired the Coordination and Timing of Development Within the Northstar Development.**

8. There have been substantial difficulties in developing the Northstar Development, which has negatively impacted the Special Tax Bonds.

9. When the 2005 Bonds were issued in 2005, the Taxable Parcels within the Northstar Development were supposed to include 1,800 residential units, around 140,000 square feet of commercial space, and a 255-room luxury hotel (“Original Development Plan”).

10. By December 2006 when the 2006 Bonds were issued, the Original Development Plan had been reduced in scope to 1,800 residential units, around 100,000 square feet of commercial space, and a 170-room luxury hotel to be known as “The Ritz-Carlton Highlands – Lake Tahoe” (“2006 Development Plan”).

11. By July 2014 when the 2014 Bonds were issued, only 342 residential units (298 condominiums and 44 townhomes), around 82,000 square feet of commercial space, the 170-room Ritz-Carlton hotel, and 25 single-family lots had been developed. In addition, the 2006 Development Plan had been further reduced to 1,500 residential units, around 94,961 square feet of commercial space, and the 170-room Ritz-Carlton hotel (“2014 Development Plan”). An illustration of the 2014 Development Plan was admitted into evidence as Hearing Exhibit D. As of the filing of the Petition, eleven years after the 2014 Bonds were issued, only 96 new condominium and townhome units have been developed, for a total of 438 residential units.

12. A list of the Taxable Parcels on which no development has occurred (collectively, the “Delinquent Tax Parcels”) was admitted into evidence as Hearing Exhibit E. At only about 218.1 acres and given the terrain, it is highly unlikely the Delinquent Tax Parcels can be developed with a density that will support all the remaining planned but undeveloped units in the 2014 Development Plan—1,062 residential units and about 12,426 square feet of commercial space. Further, any additional development of the Delinquent Taxable Parcels will require ridgeline, slope, and engineering studies to determine what is feasible, what infrastructure would be needed, and the cost.

13. The foregoing development difficulties were the product of macro-economic issues (e.g., the Great Recession and COVID), as well as owner/operator turnover, as detailed below.

14. The original master developer of the Northstar Development was Northstar Mountain Properties, LLC ("Original Developer"), whose members were NMP Holdings, LLC ("NMP") and Trimont Land Holdings, LLC ("Trimont Holdings").

15. NMP's main funding source was an entity called Crescent Resort Development, Inc. ("Crescent"). In 2007, Morgan Stanley Real Estate ("Morgan Stanley") acquired Crescent. Thereafter, Morgan Stanley defaulted on its debt to Barclays Bank, PLC ("Barclays"), resulting in Barclays assuming control of Crescent and, therefore, the Original Developer. Barclays ceased providing liquidity to the Original Developer and development activity in the Northstar Development was discontinued. The Original Developer subsequently filed for chapter 11 bankruptcy protection and, after approval of its plan of reorganization, emerged therefrom on July 1, 2010. These events adversely impacted development of the Taxable Parcels in the Northstar Development.

16. In November 2017, Barclays began marketing for sale the remaining undeveloped Taxable Parcels owned by the Original Developer in the Northstar Development, including the Delinquent Tax Parcels. At the end of the sale process, a sale agreement for substantially all the Delinquent Tax Parcels was entered into with Taylor Builders of Roseville, California ("Taylor Builders"), which subsequently assigned its purchase rights in parts to affiliates (i) Mountainside California, LLC, (ii) Mountainside California 2, LLC, (iii) Mountainside California 3, LLC, and (iv) Timberline Highlands, LLC (collectively, the "Purchasers"). The Purchasers subsequently retained Mountainside Builders, LLC ("Developer"), another affiliate of Taylor Builders, to

provide staffing and oversight for the properties. Closing on the sale occurred in August 2018. As a result of the sale, the Purchasers now own substantially all the Delinquent Tax Parcels.

17. From and after the sale, the Purchasers have neither developed the Delinquent Tax Parcels nor paid the Special Taxes when due. In a notice posted to EMMA (as defined below) in March 2019 (“Developer’s EMMA Notice”), the Purchasers and Developer explained their rationale for halting further development and ceasing payment of Special Taxes:

Each of the Owners believes the debt and related annual special tax payments on the future development parcels within the District is too high and is prohibitive to an owner maintaining, planning for, and improving these lands. ... [i]n addition to the magnitude of special taxes, other significant impediments to immediate and future development within the District exist. These impediments include the duration and marketability of entitlements granted by Placer County, the cost to profitably develop residential offerings at price points necessary to increase absorption to levels anticipated in the bond issuance, and the lack of a current Master Development Agreement (MDA) with the Northstar Resort owner.

A copy the Developer’s EMMA Notice was admitted into evidence as *Hearing Exhibit F*.

**C. Events of Default Have Occurred and Are Continuing.**

18. Due to the development difficulties outlined above, as of the filing of the Petition, only a portion of the Taxable Parcels have been developed into their final use and are generating Special Tax revenue (collectively, the “Performing Parcels”).

19. The Delinquent Tax Parcels, on which no development has occurred, have not generated any Special Tax revenue since at least 2018. A summary of the delinquent Special Taxes is set forth on *Hearing Exhibit E*.

20. The Performing Parcels have only generated about 34.6% of the total Special Taxes due annually since 2018. For the reason, the Issuer has not collected sufficient Special Tax revenue from property owners to pay debt service on the Special Tax Bonds.

21. From 2019 to 2021, the Prior Trustee withdrew amounts from the Reserve Fund established under the Indenture to cover the Special Tax revenue shortfall. But since

September 2021, there have been insufficient monies in the Trust to pay principal and interest due on the Special Tax Bonds, resulting in “payment” events of default under Sections 8.1(a) and 8.1(b) of the Original Indenture.

22. Sections 8.1(a) and 8.1(b) of the Original Indenture provide, in part, as follows:

Any one or more of the following events shall constitute an “event of default”:

(a) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) Default in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable . . . .

23. Payment events of default under Sections 8.1(a) and 8.1(b) of the Original Indenture have now occurred in September 2021, March 2022, September 2022, March 2023, September 2023, March 2024, September 2024, and March 2025, and are expected to continue occurring until issues relating to the delinquent Special Taxes and the Delinquent Tax Parcels are resolved to the extent possible.

24. The current aggregate outstanding principal on the Special Tax Bonds is set forth below. In addition, interest continues to accrue in accordance with the Indenture.

<b>Special Tax Bonds</b>	<b>Aggregate Outstanding Principal</b>
2005 Bonds	\$47,140,316.40
2006 Bonds	\$41,378,234.67
2014 Bonds	\$9,339,319.12
<b>TOTAL</b>	<b>\$97,857,870.19</b>

**D. The Issuer Has Commenced Three Foreclosure Actions.**

25. Under Section 5.2(c) of the Original Indenture, the Issuer covenanted to commence judicial foreclosure proceedings against owners of Taxable Parcels with delinquent Special Taxes when certain thresholds are met. Section 5.2(c) provides, in pertinent part:

The District covenants for the benefit of the Owners of the Bonds that it (i) will commence judicial foreclosure proceedings against all parcels owned by a property owner where the aggregate delinquent Special Taxes on such parcels is greater than \$7,500 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due and (ii) will commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied for such Fiscal Year, and (iii) will diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid . . . .

26. Section 5.2(c) of the Original Indenture also provides that any foreclosure proceeds that the Issuer recovers—whether from a sheriff’s sale or otherwise—must be remitted to the Trustee for application under the Indenture.

27. Pursuant to Section 5.2(c) of the Indenture, the Issuer has commenced three foreclosure actions in the Superior Court of the State of California, County of Placer.

28. Case No. S-CV-0042801. In April 2019, the Issuer filed a foreclosure action against ACM Northstar Holdings II LLC, which owns one Delinquent Tax Parcel. In November 2020, the court entered a default judgment for the Issuer, which was later modified in October 2023. The total judgment amount for the parcel was \$2,685,397.44, with interest, penalties and fees continuing to accrue.<sup>2</sup> The following table illustrates:

Owner/Defendant	Taxable Parcel APN	Judgment Amount
ACM Northstar Holdings II LLC	114-020-004-000	\$2,685,397.44
<b>TOTAL</b>		<b>\$2,685,397.44</b>

29. As detailed below, the Issuer has delayed the sheriff’s sale to enforce the foreclosure judgment, in part because of title-related issues that were identified by the Successor

<sup>2</sup> In this same action, the Issuer also obtained a foreclosure judgment against ACM Northstar Holdings I LLC for APN 706-204-000-000. However, the tax delinquency for that parcel was cured and the parcel redeemed.

Trustee. The issues were discovered *after* entry of the default judgment and attempts to resolve them have proved impracticable.

30. Case No. S-CV-0043081. In June 2019, the Issuer filed a foreclosure action against Mountainside California 2, LLC, Mountainside California 3, LLC, and Timberline Highlands LLC, which collectively own twelve Delinquent Tax Parcels. In August 2020, the court entered a stipulated judgment for the Issuer, which was later modified in August 2023. The judgment amount for the thirteen parcels is \$48,142,076.91, with interest, penalties and fees continuing to accrue, allocated by landowner as follows:

Owner/Defendant	Taxable Parcel APN	Judgment Amount
Mountainside California 2, LLC	110-051-008-000	\$1,111,964.20
Mountainside California 3, LLC	110-051-005-000	\$6,269,486.09
	110-051-006-000	
	110-051-007-000	
	110-051-010-000	
Timberline Highlands LLC	110-051-013-000	\$40,760,626.62
	110-051-018-000	
	110-051-019-000	
	110-051-047-000	
	110-051-049-000	
	110-081-017-000	
	110-400-005-000	
114-100-011-000		
<b>TOTAL</b>		<b>\$48,142,076.91</b>

31. Once again, the Issuer has delayed the sheriff's sale to enforce the foreclosure judgment, in part because of title-related issues that were identified by the Successor Trustee. The issues were discovered *after* entry of the judgment and attempts to resolve them have proved impracticable.

32. Case No. S-CV-0051848. In December 2023, the Issuer filed a foreclosure action against Mountainside California 2, LLC and Mountainside California 3, LLC, which own two other Delinquent Taxable Parcels. This foreclosure action is still pending. At the time of the complaint, the total amount of Delinquent Special Taxes, penalties, fees and interest was \$321,087.98, allocated by landowner as follows:

<b>Owner/Defendant</b>	<b>Taxable Parcel APN</b>	<b>Delinquent Amount</b>
Mountainside California 2, LLC	110-051-009-000	\$232,048.90
Mountainside California 3, LLC	110-051-004-000	\$89,039.08
<b>TOTAL</b>		<b>\$321,087.98</b>

**E. Title and Other Developability Issues Affecting the Delinquent Tax Parcels.**

33. As noted above, the Issuer has delayed the sheriff's sales for its two foreclosure judgments because of recently discovered title issues impacting the subject Delinquent Taxable Parcels. These title issues, detailed below, must be resolved to generate the highest and best price for the parcels.

34. Development Control Agreements. In connection with a sale of the Northstar-at-Tahoe Resort in September 2000 (before the Special Tax Bonds were issued), certain instruments were recorded in the real estate records of Placer County, California, which instruments were intended to regulate and control the development of the Northstar-at-Tahoe Resort and the Northstar Development. These instruments (collectively, the "Development Control Agreements") include the following:

(a) Agreement for Purchase and Sale of Real Property between Trimont Land Company and Trimont Holdings, recorded as Instrument No. 2000-0077970;

(b) Easement Agreement between Trimont Holdings and Trimont Land Company, recorded as Instrument No. 2000-0077973, as the same has been modified and amended from time to time;

(c) Memorandum of Lease evidencing unrecorded Lease Agreement between Trimont Holdings and Trimont Land Company, recorded as Instrument No. 2000-0077974, as the same has been assigned and modified;

(d) Essential Ski Property Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents and Leases) from Trimont Holdings to Placer Title Company, as Trustee, for the benefit of Trimont Land Company, recorded as Instrument No. 2000-00779676, as the same has been assigned and modified;

(e) Memorandum of Agreement for Purchase and Sale of Real Property between Trimont Holdings and East West Partners, Inc., recorded as Instrument No. 2000-077978, as assigned by Assignment and Assumption of Contract of Sale between East West Partners, Inc. and Northstar Mountain Properties, LLC, recorded as Instrument No. 2000-0077979;

(f) Assumption Agreement between Trimont Holdings and Northstar Mountain Properties, LLC, recorded as Instrument No. 2000-0077981; and

(g) Non-Residential Property Option Agreement between Trimont Holdings and Northstar Mountain Properties, LLC, recorded as Instrument No. 2000-0077982, as amended.

35. All or some of the Development Control Agreements remain in effect and impact the Northstar Development, including the Delinquent Tax Parcels. These encumbrances are clouds on title that will impact the marketability, developability, and value of the Delinquent Tax Parcels.

36. Other Title Matters. Along with the Development Control Agreements, because of the nature of the Northstar Development as a planned community, title to the Delinquent Tax Parcels is subject to various easements, restrictions, covenants, agreements, and other matters of record which affect their use and development. Again, these encumbrances are clouds on title that will impact the marketability, developability, and value of the Delinquent Tax Parcels.

37. Non-Title Issues. There are also certain non-title issues impacting the development and value of the Delinquent Tax Parcels. Specifically, the Northstar Development is situated on terrain uniquely suited for winter mountain sports, like skiing. Thus, any future sale and/or

development will require significant engineering analysis, slope analysis, site planning, and review of infrastructure needs and related cost (“Engineering Analysis”).

38. To ensure the highest and best recovery possible for Bondowners from any sale of the Delinquent Tax Parcels, the foregoing title and development issues must be resolved. As long as there are clouds on title and development issues, a sheriff’s sale is unlikely to generate any meaningful recovery.

39. However, resolving these issues will be complex and require multiple steps, including, without limitation, (a) creation of one or more special purpose entities to take title to the Delinquent Tax Parcels, (b) additional legal proceedings to quiet title and collect certain unpaid Special Taxes, (c) retention of consultants to complete the Engineering Analysis, and (d) retention of a broker to market the Delinquent Tax Parcels for development and sale. Furthermore, it is critical that these remedial steps be implemented in a strategic and coordinated manner.

**F. The Trustee Has a Limited Role Under the Indenture After an Event of Default.**

40. Until UMB was appointed Successor Trustee, no one had taken any material action to resolve the foregoing title and development issues. This has principally been because of deficiencies and ambiguities in the Indenture.

41. The Trustee’s role after an “event of default” under the Indenture is limited. In a typical corporate trust agreement, the indenture trustee has the power to assert rights and remedies on behalf of all bondowners after an event of default has occurred. Granting the trustee such post-default power helps mitigate the collective-action problem when no single bondowner is willing to expend its own funds to assert rights and remedies, or bondowners cannot agree on a strategy.

42. Under the Indenture, however, the Trustee has no explicit power to act for Bondowners post-default. Instead, such power resides with each individual Bondowner.

43. Section 8.2 of the Original Indenture provides, in pertinent part, as follows:

Following the occurrence of an event of default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated:

(a) By mandamus or other suit or proceeding at law or in equity to enforce his rights against the District and any of the members, officers and employees of the District, and to compel the District or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in this Indenture;

(b) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners . . . .

. . . .

No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

44. The Trustee’s duties after an “event of default” are only specifically referenced one time in the Indenture. Section 7.1 of the Original Indenture provides, in pertinent part:

The Trustee shall, prior to an event of default and after curing all events of default which may have occurred, perform such duties and only such duties as are specifically set forth herein. Upon the occurrence and upon the continuance of an event of default, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonable corporate trustee would exercise or use as trustee under a trust indenture.

The Indenture does not provide any standards for how a “reasonable corporate trustee” should act or what “trust indenture” should be used as a reference point.

45. Section 7.4 of the Original Indenture also helps clarify the Trustee’s rights and duties—whether before or after an event of default—in stating, in pertinent part:

The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. . . .

. . . .

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers . . . .

. . . .

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Bondowners pursuant to the provisions of this Indenture unless such Bondowners shall have offered to the Trustee reasonable security or indemnity against the cost, expenses and liabilities which may be incurred therein or thereby. . . .

. . . .

The Trustee shall not be liable for any action taken or not taken by attorneys and agents appointed with due care.

46. In short, the Indenture does not authorize the Trustee to take remedial action for all Bondowners after an event of default. At the same time, the Indenture does not appear to bar the Trustee from doing so at the request or direction of Bondowners.

47. Consistent with its limited role under the Indenture, neither the Prior Trustee nor the Successor Trustee has taken remedial action with respect to the ongoing events of default, title issues, or development issues, aside from carrying out its express duties under the Indenture and undertaking steps to identify issues of concern to Bondowners.

48. Furthermore, to date, no Bondowners have invoked their right under Section 8.2 of the Original Indenture to pursue remedies “for the equal benefit and protection of all Owners similarly situated.”

**G. Directing Bondowners Have Requested that the Trustee Exercise Certain Remedies.**

49. At various times, the Trustee has posted notices to EMMA and conducted public calls with Bondowners to provide updates on the foreclosure actions, due diligence, and related matters.

50. The Electronic Municipal Market Access website, or “EMMA,” is the primary source for municipal securities disclosures, used by investors, issuers, trustees, and other market participants. EMMA is maintained by the Municipal Securities Rulemaking Board, a self-regulatory organization created by Congress to promote a fair and efficient municipal securities

market. As detailed above, the Trustee only knows the identities of Bondowners who identify themselves to the Trustee because the Bonds are held in book-entry form through DTC and trade publicly. Thus, as a method to provide notices and other updates to Bondowners, the Trustee has posted notices to EMMA.

51. Eventually, after posting notices to EMMA and conducting a public call, Bondowners representing about 9.99% of the aggregate outstanding principal on the Special Tax Bonds (the “Directing Bondowners”) executed a Bondowner Direction and Indemnity (the “Bondowner Direction”), a copy of which was admitted into evidence as Hearing Exhibit G.

52. In the Bondowner Direction, the Directing Bondowners, invoking their rights under Section 8.2 of the Original Indenture, have directed the Trustee to assume an active role in remediating the events of defaults, title issues, and development issues for the benefit of all Bondowners. Specifically, the Directing Bondowners have directed the Trustee to take the following remedial actions:

(a) Establish one or more special-purpose entities (“SPEs”), substantially in accordance with the form of Limited Liability Company Agreement attached to the Bondowner Direction;

(b) Cause the SPEs to receive an assignment of the foreclosure judgments from the Issuer for purposes of credit bidding the judgment amounts to obtain title to the Delinquent Tax Parcels;

(c) Enter into, and cause the SPEs to enter into, Tri-Party Agreements with the Issuer, substantially in the form attached to Bondowner Direction, which set forth the terms upon which the SPEs shall hold, manage, and monetize the Delinquent Tax Parcels for the benefit of Bondowners;

(d) Enter into, and cause the SPEs to enter into, Forebearance Agreements with the Issuer, substantially in the form attached to Bondowner Direction, which shall provide for a temporary abatement of the Issuer's collection of Special Taxes from the SPEs for the Delinquent Tax Parcels;

(e) Initiate, or cause the SPEs to initiate, any action, including legal action, necessary to clear title of the Delinquent Tax Parcels for purposes of maximizing their developability and therefore the marketability;

(f) Engage, or cause to be engaged by the SPEs, surveyors, consultants, attorneys, and other professionals to conduct the Engineering Analysis and determine the development and market feasibility of the Delinquent Tax Parcels for purposes of maximizing their developability and marketability;

(g) Engage, or cause to be engaged by the SPEs, contractors and other third parties to maintain the Delinquent Tax Parcels, as necessary;

(h) Engage, or cause to be engaged by the SPEs, agents, brokers, and other professionals to value, market and sell the Delinquent Tax Parcels;

(i) File this Petition to obtain Court authority to follow and implement the Bondowner Direction; and

(j) Take such other actions related to or arising out of the foregoing as the Directing Bondowner may authorize or direct by reference to the Bondowner Direction and Indemnity.

53. In addition, the Directing Bondowners have directed the Trustee to pay any and all fees, costs and expenses (including professional fees) reasonably incurred by the Trustee and the SPEs in connection with following and implementing the Bondowner Direction using monies held by the Trustee under the Indenture (other than monies in the Rebate Fund). Payment of such fees,

costs and expenses would be a first-priority payment from the Trust, before any distributions to Bondowners.

**H. The Trustee Filed the Petition to Obtain Court Instruction to Follow the Bondowner Direction.**

54. The Trustee is willing to follow Bondowner Direction from the Directing Bondowners, but only if it first receives authorization and instruction from the Court.

55. Given the limitations and ambiguities in the Indenture regarding the Trustee's power to exercise rights and remedies for the benefit of all Bondowners after an event of default, the Trustee is not willing to take remedial actions at the direction of a minority of Bondowners without Court approval. The Indenture does not authorize the Trustee to take remedial action for all Bondowners post-default, but nothing in the Indenture bars the Trustee from accepting the Bondowner Direction from the Directing Bondowners. Court instruction is thus necessary to clarify Indenture and the Trustee's rights, duties and obligations.

56. Furthermore, under Section 7.4 of the Original Indenture, the Trustee has no obligation to "expend or risk its own funds" and does not have to follow any Bondowner direction unless such Bondowners "shall have offered to the Trustee reasonable security or indemnity against the cost, expenses and liabilities which may be incurred therein or thereby." As a condition to following the proposed Bondowner Direction from the Directing Bondowners, the Trustee requires confirmation from the Court that it may use trust funds (other than funds in the Rebate Fund) to pay fees, costs and expenses (including professional fees) incurred by or on behalf of the Trustee and the Trustee-managed SPEs. The Court's order will provide security and assurance to the Trustee that it will not have to expend or risk its own funds.

57. Finally, the Court's order is necessary to ensure the Trustee will not face liability to Bondowners for acting on their behalf to remediate the events of default. The Directing

Bondowners only hold a portion of the Bonds. Without prior Court approval, the Trustee could face claims from non-Directing Bondowners for acting on their behalf.

58. Accordingly, on February 20, 2025, the Trustee filed the Petition. In the Petition, and pursuant to Minn. Stat. § 501C.0202(1), (4), and (24), the Trustee has requested that the Court enter an order:

(a) Confirming that events of default under the Indenture have occurred and are continuing;

(b) Authorizing and directing the Trustee to accept the Bondholder Direction as an exercise of Bondowner rights under Section 8.2 of the Original Indenture for the equal benefit and protection of all Bondowners similarly situated;

(c) Authorizing and directing the Trustee to act in accordance with the Bondowner Direction and take any and all actions in connection therewith, subject to the Trustee's right to request further instruction from this Court in its sole discretion;

(d) Authorizing the Trustee to pay, from monies in any of the funds and accounts held by the Trustee under the Indenture (other than the Rebate Fund), fees, costs and expenses (including professional fees) incurred by the Trustee and any Trustee-managed SPEs in connection with the actions described herein and in the Bondowner Direction, as a first priority before any distributions to Bondowners;

(e) Confirming and ratifying all actions taken by the Trustee relating to the remedial and monetization process before entry of the Court's order on this Petition;

(f) Determining that the Court's order on this Petition shall be binding on the Trustee, the Trust, all other persons or entities involved in the administration of the Trust, and all persons or entities claiming a beneficial ownership in the Trust including, without limitation, all past,

present or future Bondowners, and their respective successors or assigns, as well as any other parties-in-interest, if any;

(g) Finding that all actions taken (or not taken) by the Trustee in connection with this Petition and the Court's order granted pursuant hereto have been and are consistent with the Indenture and the Trustee's duties and obligations thereunder to Bondowners; and

(h) Granting related relief.

59. As noted above, the Trustee filed the Petition at the direction of Bondowners representing about 9.99% of the aggregate outstanding principal on the Bonds. After the Trustee filed the Petition, Bondowners representing another about 11.48% of the aggregate outstanding principal on the Bonds submitted letters to the Trustee indicating that they support the Petition and the relief sought by the Trustee therein. Copies of these letters were admitted into evidence as **Hearing Exhibit H**. Thus, altogether, Bondowners representing about 21.47% of the aggregate outstanding principal on the Bonds affirmatively support the Petition and requested relief.

### **CONCLUSIONS OF LAW**<sup>3</sup>

60. This Court has subject matter jurisdiction over the Petition because (i) the Indenture is a corporate trust agreement pursuant to Minn. Stat. § 501C.0102(c)(2); (ii) the Trust created under the Indenture is a corporate trust pursuant to Minn. Stat. § 501C.0102(c)(1); (iii) the Trust is administered by UMB, a corporate trustee located in the State of Minnesota; and (iv) the Trustee is seeking instructions from the Court pursuant to Minn. Stat. § 501C.0202(1), (4), and (24) regarding interpretation of the terms of the Trust, administration of the Trust, and the Trustee's rights and duties.

---

<sup>3</sup> If any of the following conclusions of law constitute findings of fact, they are adopted as such.

61. Venue is proper in this Court under Minn. Stat. § 501C.0207(a) because the Trustee has a corporate trust office in Minneapolis, Hennepin County, Minnesota, and the assets of the Trust are administered by the Trustee at that corporate trust office.

62. Based upon the affidavits of publication, mailing, and/or service filed with the Court, the Trustee has complied with all notice and publication requirements set forth in Minn. Stat. § 501C.0203, subd. 1 and the Court's Order for Hearing dated March 11, 2025 (the "Order for Hearing"). Accordingly, due and proper notice of the hearing on the Petition was provided to all Bondholders and other interested persons, and such notice satisfied due process requirements. *See Mullane v. Cent. Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950) (due process requires "notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections").

63. Pursuant to the Order for Hearing, any interested person wishing to object to the Petition or relief requested therein was required to file a written objection with the Court not later than 4:30 p.m. CT on April 8, 2025. No objections to the Petition were filed, and no party, other than the Trustee, appeared at the hearing.

64. The Trustee has invoked the Court's jurisdiction as a proceeding *in rem*.

65. Under Minn. Stat. § 501C.0204: "Upon the hearing of a petition under the district court's *in rem* jurisdiction, the court shall make an order it considers appropriate." The order is "binding *in rem* upon the trust estate and upon the interests of all beneficiaries, vested or contingent, even though unascertained or not in being." Minn. Stat. § 501C.0204, subd. 1.

66. Pursuant to Minn. Stat. § 501C.0202(1), (4), and (24), the Court may "confirm an action taken by a trustee," "construe, interpret, or reform the terms of a trust, or authorize a deviation from the terms of a trust," and "instruct the trustee regarding any matter involving the

trust's administration or the discharge of the trustee's duties, including a request for instructions and an action to declare rights."

67. A court's "primary function . . . in exercising jurisdiction over trusts is to preserve them and to secure their administration according to their terms." *In re Foley Trust*, 671 N.W.2d 206, 209 (Minn. Ct. App. 2003).

68. Here, the Court concludes that the requested instructions are in the best interests of Bondholders.

69. First, enlisting the Trustee will mitigate the collective-action problem. To date, no Bondowner has been willing to incur the cost or potential liability from other Bondowners to assert rights and remedies under Section 8.2 of the Original Indenture for the benefit of all Bondowners.

70. Second, involving the Trustee will allow the costs of remediation to be shared equally by all Bondowners. Under the Indenture, any Bondowner that exercises remedies for the benefit of all Bondowners would have to come out of pocket to do so—even though all Bondowners would benefit. Because the Trustee would use trust funds, all Bondowners would share in the costs.

71. Third, following the Bondowner Direction is the best option for maximizing Bondowner recovery. All Bondowners will benefit if the Delinquent Tax Parcels are developed and sold for the highest and best price. But that is unlikely to happen via a sherriff's sale due to the unresolved title and development issues detailed above. Indeed, there is no guarantee that any buyer would even show up to the sherriff's sale. A coordinated strategy, implemented by the Trustee, is likely the best option for resolving these issues and maximizing the recovery.

72. Fourth, although the Indenture does not expressly authorize the Trustee to take remedial action for all Bondowners post-default, nothing in the Indenture bars the Trustee from

doing so at the direction of Bondowners, including the Bondowner Direction from the Directing Bondowners.

73. Fifth, Bondowners representing about 21.47% of the aggregate outstanding principal on the Bonds affirmatively support the Petition and requested relief, and no Bondowners have objected.

### **DIRECTIONS AND ORDER FOR JUDGMENT**

Based on the forgoing, and pursuant to the provisions of Minn. Stat. §§ 501C.0202 – 0208, and all other applicable law, the relief sought by the Trustee in the Petition is hereby **GRANTED**. The Court further specifically orders and directs as follows:

- (a) The Court has taken jurisdiction over this matter as a proceeding *in rem*.
- (b) The Court hereby undertakes to represent all parties in interest who are unascertained, not in being, who are minors or incapacitated, or whose identity or address is unknown and not reasonably ascertainable, pursuant to the provisions of Minn. Stat. § 501C.0305;
- (c) The Court hereby confirms that events of default under the Indenture have occurred and are continuing.
- (d) The Trustee is authorized and directed to accept the Bondowner Direction as an exercise of Bondowner rights under Section 8.2 of the Original Indenture for the equal benefit and protection of all Bondowners similarly situated.
- (e) The Trustee is authorized and directed to act in accordance with the Bondowner Direction and take any and all actions in connection therewith, subject to the Trustee's right to request further instruction from this Court in its sole discretion.
- (f) The Trustee is authorized to pay, from monies in any of the funds and accounts held by the Trustee under the Indenture (other than the Rebate Fund), fees, costs and expenses

(including professional fees) incurred by the Trustee and any Trustee-managed SPEs in connection with the actions described herein and in the Bondowner Direction, as a first priority before any distributions to Bondowners.

(g) The Court confirms and ratifies all actions taken by the Trustee relating to the remedial and monetization process before the entry of this Order,


(h) This Order is binding on the Trustee, the Trust, all other persons or entities involved in the administration of the Trust, and all persons or entities claiming a beneficial ownership in the Trust including, without limitation, all past, present or future Bondowners, and their respective successors or assigns, as well as any other parties-in-interest, if any.

(i) All actions taken (or not taken) by the Trustee in connection with this Petition and the Court’s order granted pursuant hereto have been and are consistent with the Indenture and the Trustee’s duties and obligations thereunder to Bondowners.

(j) The Trust and the Trustee shall not be subject to the continuing supervision of the Court for the purposes of Minn. Stat. §§ 501C.0201(c)(2), § 501C.0205 or General Rule of Practice 417.02.

**LET JUDGMENT BE ENTERED ACCORDINGLY.**

BY THE COURT

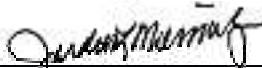
  
Olson, Joel  
2025.04.09  
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FILED IN DISTRICT COURT  
APPROVED, RECOMMENDED, AND SUBMITTED TO THE COURT

  
Dayton Klein, Julia  
Apr 9, 2025 4:26 PM

Judge of the District Court

Filed in District Court  
State of Minnesota  
Apr 11, 2025 9:42 am

I Certify the above order  
constitutes the Judgment of the Court  
Court Administrator

By   
Date: 04/11/2025 9:42am

**ASSIGNMENT OF FINAL JUDGMENT OF JUDICIAL FORECLOSURE AND RIGHT TO  
CREDIT BID AT SHERIFF'S SALE**

KNOW ALL PERSONS BY THESE PRESENTS:

**COMMUNITY FACILITIES DISTRICT NO. 1 OF THE NORTHSTAR COMMUNITY SERVICES DISTRICT**, a legally constituted governmental entity ("Assignor"), whose address is 900 Northstar Drive, Truckee, California 96161, hereby assigns, transfers, and conveys to **NORTHSTAR TE LLC, a Delaware limited liability company** (the "Assignee"), whose address is 120 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402, Assignor's interest in that certain Modified Judgment (the "Foreclosure Judgment") originally entered on November 10, 2020 and modified on October 18, 2023, in the matter styled as Community Facilities District No. 1 of the Northstar Community Services District vs. ACM Northstar Holdings I LLC, *et. al.*, Case No. S-CV-0042801 in the Superior Court of the State of California for the County of Placer, (the "Lawsuit"), including, without limitation, the right to credit bid at the Sheriff's sale(s) of the property which is described in the Foreclosure Judgment.

**IN WITNESS WHEREOF**, Assignor has caused these presents to be executed by its authorized representative in manner and form sufficient to bind it this \_\_\_\_ day of May, 2026.

**COMMUNITY FACILITIES DISTRICT NO. 1 OF  
THE NORTHSTAR COMMUNITY SERVICES  
DISTRICT**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF PLACER

On \_\_\_\_\_, before me, \_\_\_\_\_ personally appeared \_\_\_\_\_, as \_\_\_\_\_ of COMMUNITY FACILITIES DISTRICT NO. 1 of the NORTHSTAR COMMUNITY SERVICES DISTRICT, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and they by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**ASSIGNMENT OF FINAL JUDGMENT OF JUDICIAL FORECLOSURE AND RIGHT TO  
CREDIT BID AT SHERIFF'S SALE**

KNOW ALL PERSONS BY THESE PRESENTS:

**COMMUNITY FACILITIES DISTRICT NO. 1 OF THE NORTHSTAR COMMUNITY SERVICES DISTRICT**, a legally constituted governmental entity ("Assignor"), whose address is 900 Northstar Drive, Truckee, California 96161, hereby assigns, transfers, and conveys to **NORTHSTAR TE LLC, a Delaware limited liability company** (the "Assignee"), whose address is 120 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402, Assignor's interest in that certain Modified Judgment (the "Foreclosure Judgment") originally entered on July 22, 2020 and modified on August 15, 2023, in the matter styled as Community Facilities District No. 1 of the Northstar Community Services District vs. Mountainside California 3, LLC, *et. al.*, Case No. S-CV-0043081 in the Superior Court of the State of California for the County of Placer, (the "Lawsuit"), including, without limitation, the right to credit bid at the Sheriff's sale(s) of the property which is described in the Foreclosure Judgment.

**IN WITNESS WHEREOF**, Assignor has caused these presents to be executed by its authorized representative in manner and form sufficient to bind it this \_\_\_\_ day of May, 2026.

**COMMUNITY FACILITIES DISTRICT NO. 1 OF  
THE NORTHSTAR COMMUNITY SERVICES  
DISTRICT**

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF PLACER

On \_\_\_\_\_, before me, \_\_\_\_\_ personally appeared \_\_\_\_\_, as \_\_\_\_\_ of COMMUNITY FACILITIES DISTRICT NO. 1 of the NORTHSTAR COMMUNITY SERVICES DISTRICT, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and they by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**ASSIGNMENT OF FINAL JUDGMENT OF JUDICIAL FORECLOSURE AND RIGHT TO  
CREDIT BID AT SHERIFF'S SALE**

KNOW ALL PERSONS BY THESE PRESENTS:

**NORTHSTAR COMMUNITY SERVICES DISTRICT, acting as the legislative body for NORTHSTAR COMMUNITY SERVICES DISTRICT COMMUNITY FACILITIES DISTRICT NO. 1** (“Assignor”), whose address is 900 Northstar Drive, Truckee, California 96161, hereby assigns, transfers, and conveys to **NORTHSTAR TE LLC, a Delaware limited liability company** (the “Assignee”), whose address is 120 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402, Assignor’s interest in that certain Judgment of Judicial Foreclosure (the “Foreclosure Judgment”) entered on September 18, 2025, in the matter styled as Northstar Community Services District, acting as the legislative body for Northstar Community Services District Community Facilities District No. 1 vs. Mountainside California 2, LLC, *et. al.*, Case No. S-CV-0051848 in the Superior Court of the State of California for the County of Placer, (the “Lawsuit”), including, without limitation, the right to credit bid at the Sheriff’s sale(s) of the property which is described in the Foreclosure Judgment.

**IN WITNESS WHEREOF**, Assignor has caused these presents to be executed by its authorized representative in manner and form sufficient to bind it this \_\_\_\_ day of May, 2026.

**NORTHSTAR COMMUNITY SERVICES DISTRICT,  
acting as the legislative body for NORTHSTAR  
COMMUNITY SERVICES DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 1**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF PLACER

On \_\_\_\_\_, before me, \_\_\_\_\_ personally appeared \_\_\_\_\_, as \_\_\_\_\_ of NORTHSTAR COMMUNITY SERVICES DISTRICT, acting as the legislative body for NORTHSTAR COMMUNITY SERVICES DISTRICT COMMUNITY FACILITIES DISTRICT NO. 1, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and they by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

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Exempt from filing fee  
Government Code § 6103

6 Attorneys for Plaintiff  
7 Northstar Community Services District

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
9 **FOR THE COUNTY OF PLACER**

10  
11 NORTHSTAR COMMUNITY SERVICES  
DISTRICT, acting as the legislative body for  
12 NORTHSTAR COMMUNITY SERVICES  
DISTRICT COMMUNITY FACILITIES  
13 DISTRICT NO. 1,

14 Plaintiff,

15 vs.

16 MOUNTAINSIDE CALIFORNIA 2, LLC, a  
Delaware limited liability company;  
17 MOUNTAINSIDE CALIFORNIA 3, LLC, a  
Delaware limited liability company; TRIMONT  
18 LAND HOLDINGS, INC., a Delaware  
corporation; TRIMONT LAND COMPANY, a  
19 California corporation; FLEET NATIONAL  
BANK, a National Banking Association;  
20 GENERAL ELECTRIC CAPITAL  
CORPORATION; THE BANK OF NEW  
21 YORK; BANK OF AMERICA, N.A.; CNL  
INCOME NORTHSTAR, LLC, a Delaware  
22 limited liability company; THE PRUDENTIAL  
INSURANCE COMPANY OF AMERICA, a  
23 New Jersey corporation; CNL NORTHSTAR  
LLC (f/k/a CNL INCOME NORTHSTAR,  
24 LLC); NORTHSTAR MOUNTAIN  
PROPERTIES, LLC; EAST WEST  
25 PARTNERS, INC., a Colorado corporation; and  
DOES 1 to 100, inclusive,

26 Defendant.  
27

**CASE NO. S-CV-0051848**

**APN(S): 110-051-004-000 and 110-051-009-000**

**ACKNOWLEDGMENT OF  
ASSIGNMENT OF JUDGMENT**

Unlimited Civil

Complaint filed on December 15, 2023





## FORBEARANCE AGREEMENT

THIS FORBEARANCE AGREEMENT ("Agreement") is effective this [ ] day of [ ], 2025 ("Effective Date"), between:

NORTHSTAR COMMUNITY SERVICES DISTRICT COMMUNITY FACILITIES DISTRICT No. 1 ("CF District"), a community facilities district established by the Northstar Community Services District ("CS District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Act");

UMB BANK, N.A., solely in its capacity as successor trustee for the Bonds<sup>1</sup> issued pursuant to the Indenture<sup>2</sup> ("Trustee" or "UMB Bank"); and

NORTHSTAR TE, LLC, a Delaware limited liability company authorized to conduct business in the State of California ("Company," together with the CF District and Trustee, the "Parties").

### RECITALS

**WHEREAS**, on behalf of the CF District, the Board of Directors of the CS District ("Board") caused the Bonds to be issued for financing/refunding the cost of planning, designing, constructing, acquiring, modifying, expanding, improving, finishing, equipping or rehabilitating certain improvements and all appurtenances and appurtenant work relating thereto;

**WHEREAS**, to pay debt service on the Bonds, the CF District covenanted in the Indenture to levy Special Taxes<sup>3</sup> that constitute liens on taxable parcels within the boundary of the CF District co-equal with the lien of other governmental taxes and assessments;

**WHEREAS**, under Section 533356.1 of the Act, in the event of a delinquency in the payment of any Special Tax or any part of it ("Delinquent Special Taxes"), the Board as the legislative body of the CF District may—and in some cases are required to—direct that the Delinquent Special Taxes be collected through a foreclosure action initiated in superior court;

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<sup>1</sup> The "Bonds" are, collectively, those certain (i) Northstar Community Services District Community Facilities District No. 1 Special Tax Bonds, Series 2005; (ii) Northstar Community Services District Community Facilities District No. 1 Special Tax Bonds, Series 2006; and (iii) Northstar Community Services District Community Facilities District No. 1 Special Tax Bonds, Series 2014.

<sup>2</sup> The "Indenture" is, collectively, the Trust Indenture dated as November 1, 2005 ("Master Indenture"), First Supplemental Trust Indenture dated as of December 1, 2006, and Second Supplemental Trust Indenture dated as of July 1, 2014.

<sup>3</sup> Capitalized terms not defined shall have the meaning ascribed the term in the Master Indenture.

**WHEREAS**, before the Effective Date of this Agreement, the CF District filed several foreclosure actions in Superior Court of the State of California, County of Placer (“California Superior Court”), Case Nos. S-CV-0043081, S-CV-0042801 and S-CV-0051848 (“Foreclosure Actions”), to enforce the collection of Delinquent Special Taxes levied on the real property described in **Attachment A** (“Trust Real Estate”);

**WHEREAS**, the CF District and Trustee recognize that Events of Default have occurred and continue to exist under Section 8.1 of the Master Indenture because of the CF District’s failure to pay when due principal and interest on the Bonds—the proximate cause of which is the failure of certain landowners to pay Delinquent Special Taxes when due;

**WHEREAS**, the occurrence of an Event of Default under the Indenture creates certain remedial rights for any Owner for the equal benefit and protection of all Owners similarly situated and no remedy identified in Section 8.2 of the Master Indenture granted to the Owners is intended to be exclusive of any other remedy, but shall be cumulative and in addition to every other remedy under the Indenture, at law, in equity, by statute, or otherwise;

**WHEREAS**, Section 7.1 of the Master Indenture further provides that “[u]pon the occurrence and upon the continuance of an event of default, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonably corporate trustee would exercise or use as trustee under a trust indenture”;

**WHEREAS**, Owners of more than [REDACTED] percent ([REDACTED]%) of the Outstanding Bonds directed the Trustee to file in District Court in and for Hennepin County, Minnesota (“Minnesota Court”), its *Verified Petition of UMB Bank, N.A., as Trustee, for an Order and Instruction Pursuant to Minn. Stat. § 501C.0202(24) in the Administration of the Trust Estate* (“Trust Instruction Proceeding”);

**WHEREAS**, following a hearing in the Trust Instruction Proceeding, the Minnesota Court issued its [REDACTED] dated [REDACTED] (“TIP Order”) in which the Minnesota Court, among other things, authorized the Trustee to create or cause to be created one or more special-purpose entities for purposes of acquiring in the Foreclosure Actions title to and owning, maintaining, marketing and selling all or a portion of the Trust Real Estate to ensure an orderly and efficient disposition of such property for the benefit of the Trust Estate for the Bonds and thus the CF District;

**WHEREAS**, the Trustee created the Company under authority granted in the TIP Order;

**WHEREAS**, expenses of the Company are funded by the Trust Estate and thus if Special Taxes are levied against the Trust Real Estate, the Trust Estate would be paying such Special Taxes—however, the Special Taxes also constitute property of the Trust Estate and therefore for the Trust Estate to pay Special Taxes on behalf of the Company, the Trust Estate would in effect be paying itself, which the Parties agree is not anyone’s best interests;

**WHEREAS**, to avoid the circular payments described in the preceding paragraph, the Parties agree that it is in their individual and collective best interests that the District defer

collection of the Special Taxes encumbering the Trust Real Estate until the Forbearance Period (hereinafter defined) ends (“Forbearance”);

**WHEREAS**, the Parties desire to enter into this Agreement concerning the Forbearance, and warrant that they have the right, power and authority to enter into and be bound by the Agreement.

**NOW, THEREFORE**, for and in consideration of the promises, conditions, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties represent, covenant, and agree as follows:

**NOW THEREFORE** based on good and valuable consideration and the mutual covenants of the Parties, the receipt of which and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. INCORPORATION OF RECITALS AND EXHIBITS.** The recitals stated above are true and correct and by this reference are incorporated by reference as a material part of this Agreement. The Attachments are also incorporated and made a part of this Agreement.

**2. REPRESENTATIONS AND WARRANTIES OF THE PARTIES.** Each Party affirmatively and respectively makes for themselves the acknowledgments, representations and warranties in **Attachment B**, as applicable, on which the Party acknowledges every other Party is relying for purposes of entering into this Agreement, and on which Directing Owners (hereinafter defined) is relying for purposes of providing direction to the UMB Bank and the Company to execute this Agreement.

**3. FORBEARANCE.**

(a) *Forbearance of Special Taxes.* The Parties acknowledge and agree that Special Taxes allocable to the Trust Real Estate beginning Fiscal Year [redacted] will be forborne until otherwise directed by the Trustee and therefore will not be certified by the CF District to the Placer County Tax Collector or otherwise collected by the CF District (“Forbearance Period,” and the Special Taxes forborne, the “Forborne Special Taxes”).

(b) *Termination of Forbearance.* The Trustee may, on the basis of new orders of the Minnesota Court or direction of the Owners of more than [ten percent (10%)] of the Outstanding Bonds (“Directing Owners”), terminate the Forbearance provided for at any time and has the right to direct the CF District to certify for collection of Forborne Special Taxes the way provided in the letter of termination as long as such direction adheres to California law.

(c) *Priority of the Forborne Special Taxes.* The Forbearance provided for in this Agreement shall not affect or alter in any way the status of any lien against the Trust Real Estate for the Forborne Special Taxes and any future Special Taxes due.

**4. CONDITIONAL FORBEARANCE.** Each Party acknowledges and agrees that the obligations of the Trustee and the CF District under this Agreement are in the nature of a conditional forbearance only, and that neither the Trustee, the Company nor the Owners have made any agreement to modify the Indenture or otherwise change the terms of the Bonds and, upon termination of the Forbearance as provided in Section 3(b), the Trustee will have the immediate and unconditional right to exercise its rights and remedies under the Indenture and other applicable law. The Parties acknowledge and agree that this Agreement is being entered into by the Trustee, having obtained direction *via* the TIP Order and Directing Owners.

**5. GENERAL PROVISIONS.**

(a) *Exculpation of UMB Bank.* Except as otherwise specifically provided here, UMB Bank has executed this Agreement only in its capacity as Trustee under the Indenture, and only to evidence the consent of the Directing Owners to the transactions, covenants and obligations contemplated here, and not individually or for being bound in its individual or corporate capacity; *provided, however,* that UMB Bank has responsibility for the truth and accuracy of its representations relating to such consent. UMB Bank shall not have any individual or personal liability under or related to this Agreement other than as provided in the preceding sentence.

(b) *Notices.* All notices, demands, requests, consents and other communications required under this Agreement (“Notice”) shall be delivered in writing and by (i) a nationally recognized courier service, to the persons and addresses identified in **Attachment C** attached; and (ii) electronic mail, return receipt requested. Each such Notice shall be effective when delivered at the address specified in Attachment B, or to a substitute address with respect to which all other Parties have been given Notice in the manner required by this section.

(c) *Successors and Assigns.* This Agreement and all of its terms and provisions shall be binding on, and shall inure to the benefit of, the Parties and their legal representatives, heirs, successors and permitted assigns.

(d) *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts together shall constitute but the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document. Any signature or initial on a copy of this Agreement, any other document or agreement described herein, or any document necessary or convenient thereto sent electronically or by facsimile shall be binding on transmission and the electronic or facsimile copy may be utilized for all purposes of this Agreement as if an original.

(e) *Severability.* If any provision of this Agreement shall be finally determined to be unlawful or unenforceable as applied to any situation in any jurisdiction or jurisdictions, this Agreement shall be reformed and construed in any such jurisdiction or situation as if such unlawful or unenforceable provision had never been contained here and such provision reformed so that it would be lawful and enforceable as much as possible in such jurisdiction or in such situation, and every other provision of this Agreement will remain in effect.

(f) *Integration; Amendment.* This Agreement (including the Attachments hereto and made a part of this document) contains the entire understanding among the Parties with respect to the subject matter of this document and supersedes any prior understandings, inducements or conditions, expressed or implied, written, or oral, among them respecting the subject matter contained here. This Agreement may not be modified or amended, other than by an agreement in writing executed by and on behalf of the Party sought to be bound by such modification or amendment.

(g) *Legal Representation.* Each Party has been represented by legal counsel in connection with the negotiation of this Agreement and the transactions contemplated. Each Party and its counsel have had an opportunity to review and suggest revisions to the language of this Agreement. Accordingly, no provision of this Agreement shall be construed for or against or interpreted to the benefit or disadvantage of any Party because of any Party having or being deemed to have structured or drafted such provision.

(h) *Further Assurances.* Each Party agrees to execute and deliver such other documents and do such further acts as may be required or reasonably requested by the Parties to carry out the intent and purposes of this Agreement and carry out the terms of this document.

(i) *Third-Party Beneficiaries.* The Parties agree and acknowledge that UMB Bank is executing this Agreement with the consent of, and at the direction of, the Directing Owners. This Agreement is solely for the benefit of the Parties and the actual owners of the Bonds while the Bonds are registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“Beneficial Owners”), and no right or cause of action shall accrue upon or because of, to or for the benefit of any third party not a formal party to this Agreement (except for Beneficial Owners). Nothing in this Agreement expressed or implied is intended or shall be construed to grant any person or corporation other than the Parties and Beneficial Owners any right, remedy or claim under or because of this Agreement or any of the provisions or conditions of this Agreement, and all of the provisions, representations, covenants and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding on the Parties and their representatives, successors, and permitted assigns.

(j) *No Waiver.* None of the terms or provisions of this Agreement shall be deemed to have been abrogated or waived because of any failure or failures to enforce same. Nothing here or in any other agreement, written or oral, entered into by or binding on any Beneficial Owner shall be deemed a limitation on the ability of any Beneficial Owner to sell any or all of its interest in its Bonds to any entity at any time, in its sole and absolute discretion, subject to compliance with all applicable securities laws and regulations.

(k) *Authorization.* The execution of this Agreement has been duly authorized by the appropriate body or official of each Party, each Party has complied with all the requirements of law, and each Party has the authority to comply with the terms and provisions of this Agreement. The Parties also acknowledge and agree that, with respect to this Agreement, UMB Bank created the Company and they have entered into this Agreement on the basis of the TIP Order.

(l) *Arm's Length Transaction; Interpretation.* This Agreement has been negotiated fully by the Parties as an arm's length transaction and represents the result of negotiations in good faith between the Parties, each of which has been represented by counsel of its own choosing and none of which has acted under any duress or compulsion whether legal, economic, or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings and the Parties each hereby waive the application of any rule of law which would otherwise apply in connection with the interpretation and construction of this Agreement that ambiguous and conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party whose attorney prepared the executed Agreement or any earlier draft.

(m) *Enforcement of Agreement.* If any Party must enforce this Agreement or any document executed and delivered pursuant to this Agreement by court proceedings or otherwise, then the prevailing Party may recover all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution or appellate proceedings. The Parties to this Agreement may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, including, but not limited to suit for specific performance or injunctive relief, protect and enforce any and all rights existing under California law, or granted and contained in this Agreement or any document executed and delivered pursuant to this Agreement, and may enforce and compel the performance of all duties required by this Agreement or any document executed and delivered pursuant to this Agreement.

(n) *Applicable Law and Venue.* This Agreement and the provisions contained here shall be construed, interpreted, and controlled according to the laws of the State of California, except as to matters subject to *in rem* jurisdiction of the Minnesota Court. Venue for any action arising out of or relating to this Agreement, the relationship of the Parties evidenced hereby, or any document executed pursuant to this Agreement shall lie solely in the California Superior Court and Minnesota Court, as applicable, and the corresponding courts of appeal, and the Parties consent to the jurisdiction of such courts.

(o) *Time; Business Day.* Whenever any time of day or particular hour is specified here, such time or hour shall be determined on the basis of Pacific Standard Time or Pacific Daylight Savings Time, whichever is then in effect in Placer County, California. Time is of the essence as to all dates, deadlines and times of performance under this Agreement. For purposes of this Agreement, "Business Day" means and refer to each day, except Saturdays, Sundays and other legal holidays, on which a majority of the banks in Placer County, California, are open for business.

(p) *Construction; Headings for Convenience Only.* Wherever the context so requires, the feminine gender shall be substituted for the masculine, the masculine for the feminine, and the neuter for either, the singular shall be substituted for the plural and the plural for the singular. The descriptive headings in this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision in this Agreement.

(q) *CF District and UMB Bank Limitations of Liability.* Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the CF District beyond any

statutory limited waiver of immunity or limits of liability which may have been adopted by the California Legislature, and nothing in this Agreement shall inure to the benefit of any third party for allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law. In addition, any provision of this Agreement to the contrary notwithstanding, UMB Bank has executed this Agreement only in its capacity as Trustee under the Indenture and only to evidence the consent of the Directing Owners to the transactions contemplated here, and not individually or for being bound in its individual or personal capacity. UMB Bank shall not have any individual or personal liability under or related to this Agreement.

(r) *Term.* This Agreement shall be effective as of the Effective Date and will remain in effect for so long as the Company owns or holds the Delinquent Property or any portion thereof or any sale proceeds and may be terminated only upon the mutual written agreement of the Parties or upon conveyance and permitted dissolution of the Company as set forth.

(s) *Waiver of Jury Trial.* THE PARTIES AGREE AS FOLLOWS: (A) EACH OF THEM KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR OTHER LITIGATION (AN "ACTION") BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ENFORCEMENT OF ANY RELATED DOCUMENTS, INSTRUMENTS OR AGREEMENTS (WHETHER ORAL OR WRITTEN) WHETHER EXPRESS OR IMPLIED BECAUSE OF A COURSE OF DEALING, A COURSE OF CONDUCT, A STATEMENT OR OTHER ACTION OF ANOTHER PARTY; (B) NO PARTY MAY SEEK A TRIAL BY JURY IN ANY SUCH ACTION; (C) NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION (IN WHICH A JURY TRIAL HAS BEEN WAIVED) WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED; AND (D) NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO THE OTHER OF THEM THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

**IN WITNESS WHEREOF**, the Parties, with intent to be legally bound hereby, have caused this Agreement to be executed by their undersigned lawful representatives, hereunto duly authorized, on the date or dates set forth below.

[SIGNATURE PAGES TO FOLLOW]

CF DISTRICT SIGNATURE PAGE

Northstar Community Services District  
Community Facilities District No. 1

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Mike Staudenmayer, General Manager

UMB BANK SIGNATURE PAGE

UMB BANK, N.A., in its capacity as  
successor trustee for the Bonds issued under  
the Indentures

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Michael Slade, Senior Vice President

COMPANY SIGNATURE PAGE

NORTHSTAR TE, LLC,  
a Delaware limited liability company,

By its Managing Member, UMB Bank, N.A.,  
in its capacity as successor trustee for the  
Bonds issued under the Indentures

---

Michael Slade, Senior Vice President

EXHIBIT A  
DESCRIPTION OF THE TRUST REAL ESTATE

ATTACHMENT B-1  
CF DISTRICT REPRESENTATIONS AND WARRANTIES

CF District for itself represents and warrants that:

1. *Organization and Standing.* CF District is a community facilities district duly established by the CS District and validly existing in good standing under the Act and has full power and authority to enter into this Agreement and comply with its obligations contemplated by this Agreement, as applicable.

2. *Binding Agreement.* The acceptance and performance of the terms and provisions of this Agreement have been duly authorized and approved by all necessary actions on the part of CF District. Upon CF District's execution and delivery of this Agreement, this Agreement shall be binding and enforceable against CF District in accordance with its terms, and upon CF District's execution of other documents contemplated by this Agreement, as applicable, such additional documents shall be binding and enforceable against CF District in accordance with their terms.

3. *Consents.* Neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement is subject to any requirement that CF District obtain any consent, approval or authorization of, or make any declaration or filing with, any governmental authority or third party which has not been obtained or which, in any case or in the aggregate, if not obtained or made would render such execution, delivery or consummation illegal or invalid.

4. *Conflict.* Neither the execution of this Agreement, the consummation of the transactions contemplated, nor the fulfillment of the terms of this document, will conflict with or breach any of the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which CF District is a party or any applicable laws or regulations of any governmental body having jurisdiction.

ATTACHMENT B-2  
UMB BANK REPRESENTATIONS AND WARRANTIES

UMB Bank, solely in its capacity as successor trustee for the Bonds, represents and warrants that:

1. *Organization and Standing.* UMB Bank is a national banking association duly organized and validly existing in good standing under the laws of the United States of America and has full power and authority to enter into this Agreement and complete the transactions contemplated by this Agreement, as applicable.

2. *Binding Agreement.* The acceptance and performance of the terms and provisions of this Agreement have been duly authorized and approved by all necessary actions on the part of UMB Bank. Upon UMB Bank's execution and delivery of this Agreement, this Agreement shall be binding and enforceable against the Trustee in accordance with its terms, and upon UMB Bank's execution of other documents contemplated by this Agreement, as applicable, such additional documents shall be binding and enforceable against the Trustee in accordance with their terms.

3. *Consents.* Neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement is subject to any requirement that UMB Bank obtain any consent, approval or authorization of, or make any declaration or filing with, any governmental authority or third party which has not been obtained or which, in any case or in the aggregate, if not obtained or made would render such execution, delivery or consummation illegal or invalid.

4. *Conflict.* Neither the execution of this Agreement, the consummation of the transactions contemplated, nor the fulfillment of the terms of this document, will conflict with or breach any of the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which UMB Bank, as Trustee, is a party or any applicable laws or regulations of any governmental body having jurisdiction.

THE ABOVE REPRESENTATIVES AND WARRANTIES HAVE BEEN PROVIDED IN RELIANCE ON THE DIRECTION RECEIVED FROM DIRECTING OWNERS AND THE TIP ORDER.

ATTACHMENT B-3  
COMPANY REPRESENTATIONS AND WARRANTIES

The Company for itself represents and warrants that:

1. *Organization and Standing.* The Company is a Delaware limited liability company duly organized, validly existing, and in good standing in the State of California and has full power and authority on behalf of itself and the Lenders to enter into this Agreement and complete the transactions contemplated by this Agreement, as applicable.

2. *Binding Agreement.* The acceptance and performance of the terms and provisions of this Agreement have been duly authorized and approved by all necessary actions on the part of the Company. The Company's execution and delivery of this Agreement, this Agreement shall be binding and enforceable against the Company in accordance with its terms and shall be binding and enforceable against the Company in accordance with their terms.

3. *Consents.* Neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement is subject to any requirement that the Company obtain any consent, approval or authorization of, or make any declaration or filing with, any governmental authority or third party which has not been obtained or which, in any case or in the aggregate, if not obtained or made would render such execution, delivery or consummation illegal or invalid.

4. *Conflict.* Neither the execution of this Agreement, the consummation of the transactions contemplated, nor the fulfillment of the terms of this document, will conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the Company is a party or any applicable laws or regulations of any governmental body having jurisdiction.

THE ABOVE REPRESENTATIVES AND WARRANTIES HAVE BEEN PROVIDED IN RELIANCE ON THE DIRECTION RECEIVED FROM DIRECTING OWNERS AND THE TIP ORDER.

ATTACHMENT B  
NOTICES PERSONS AND ADDRESSES

If to CF District: Northstar Community Service District  
Community Facilities District No. 1  
Attn: General Manager  
900 Northstar Drive  
Truckee, CA 96161  
Telephone: 530-562-0747  
Email: \_\_\_\_\_

With a copy to: Stradling  
Attn: Allison E. Burns, Esq.  
660 Newport Center Drive, Suite 1600  
Newport Beach, CA 92660  
Telephone: 949-725-4187  
Email: [aburns@stradlinglaw.com](mailto:aburns@stradlinglaw.com)

If to UMB Bank  
or the Company: UMB Bank, N.A., as Trustee  
Attn: Michael Slade  
120 South Sixth Street, Suite 1400  
Minneapolis, MN 55402  
Telephone: 612-337-7004  
Email: [Michael.slade@umb.com](mailto:Michael.slade@umb.com)

With a copy to: Greenberg Traurig, P.A.  
Attn: Brian A. Crumbaker  
101 E. College Ave.  
Tallahassee, Florida 32301  
Telephone: 850-425-8540  
Email: [CrumbakerB@gtlaw.com](mailto:CrumbakerB@gtlaw.com)

## TRI-PARTY AGREEMENT

**THIS TRI-PARTY AGREEMENT** (“Agreement”) is effective this [ ] day of [ ], 2025 (“Effective Date”), between:

NORTHSTAR COMMUNITY SERVICES DISTRICT COMMUNITY FACILITIES DISTRICT No. 1 (“CF District”), a community facilities district established by the Northstar Community Services District (“CS District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (“Act”);

UMB BANK, N.A., solely in its capacity as successor trustee for the Bonds<sup>1</sup> issued pursuant to the Indenture<sup>2</sup> (“Trustee” or “UMB Bank”); and

NORTHSTAR TE, LLC, a Delaware limited liability company authorized to conduct business in the State of California (“Company,” together with the CF District and Trustee, the “Parties”).

### RECITALS

**WHEREAS**, on behalf of the CF District, the Board of Directors of the CS District (“Board”) caused the Bonds to be issued for financing/refunding the cost of planning, designing, constructing, acquiring, modifying, expanding, improving, finishing, equipping or rehabilitating certain improvements and all appurtenances and appurtenant work relating thereto;

**WHEREAS**, to pay debt service on the Bonds, the CF District covenanted in the Indenture to levy Special Taxes<sup>3</sup> that constitute liens on taxable parcels within the boundary of the CF District co-equal with the lien of other governmental taxes and assessments;

**WHEREAS**, under Section 533356.1 of the Act, in the event of a delinquency in the payment of any Special Tax or any part of it (“Delinquent Special Taxes”), the Board as the legislative body of the CF District may—and in some cases are required to—direct that the Delinquent Special Taxes be collected through a foreclosure action initiated in superior court;

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<sup>1</sup> The “Bonds” are, collectively, those certain (i) Northstar Community Services District Community Facilities District No. 1 Special Tax Bonds, Series 2005; (ii) Northstar Community Services District Community Facilities District No. 1 Special Tax Bonds, Series 2006; and (iii) Northstar Community Services District Community Facilities District No. 1 Special Tax Bonds, Series 2014.

<sup>2</sup> The “Indenture” is, collectively, the Trust Indenture dated as November 1, 2005 (“Master Indenture”), First Supplemental Trust Indenture dated as of December 1, 2006, and Second Supplemental Trust Indenture dated as of July 1, 2014.

<sup>3</sup> Capitalized terms not defined shall have the meaning ascribed the term in the Master Indenture.

**WHEREAS**, before the Effective Date of this Agreement, the CF District filed several foreclosure actions in Superior Court of the State of California, County of Placer (“California Superior Court”), Case Nos. S-CV-0043081, S-CV-0042801 and S-CV-0051848 (“Foreclosure Actions”), to enforce the collection of Delinquent Special Taxes levied on the real property described in **Attachment A** (“Delinquent Property”);

**WHEREAS**, the CF District and Trustee recognize that Events of Default have occurred and continue to exist under Section 8.1 of the Master Indenture—the proximate cause of which is the failure of certain landowners to pay Delinquent Special Taxes when due;

**WHEREAS**, the occurrence of an Event of Default under the Indenture creates certain remedial rights in favor of any Owner for the equal benefit and protection of all Owners similarly situated and no remedy identified in Section 8.2 of the Master Indenture granted to the Owners is intended to be exclusive of any other remedy, but shall be cumulative and in addition to every other remedy under the Indenture, at law, in equity, by statute, or otherwise;

**WHEREAS**, Section 7.1 of the Master Indenture further provides that “[u]pon the occurrence and upon the continuance of an event of default, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonably corporate trustee would exercise or use as trustee under a trust indenture;”

**WHEREAS**, Owners of more than [REDACTED] percent ([REDACTED]%) of the Outstanding Bonds directed the Trustee to file in District Court in and for Hennepin County, Minnesota (“Minnesota Court”), its *Verified Petition of UMB Bank, N.A., as Trustee, for an Order and Instruction Pursuant to Minn. Stat. § 501C.0202(24) in the Administration of the Trust Estate* (“Trust Instruction Proceeding”);

**WHEREAS**, following a hearing in the Trust Instruction Proceeding, the Minnesota Court issued its [REDACTED] dated [REDACTED] (“TIP Order”) in which the Minnesota Court, among other things, authorized the Trustee to create or cause to be created one or more special-purpose entities for purposes of acquiring in the Foreclosure Actions title to and owning, maintaining, marketing and selling all or a portion of the Delinquent Property to ensure an orderly and efficient disposition of such property for the benefit of the Trust Estate for the Bonds and therefore the CF District;

**WHEREAS**, under authority granted in the TIP Order, the Trustee created the Company;  
and

**WHEREAS**, the Parties desire to enter into this Agreement concerning the matters described in this Agreement and warrant that they have the right, power and authority to enter into and be bound by this Agreement.

**NOW, THEREFORE**, based on good and valuable consideration and the mutual covenants of the Parties, the receipt of which and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. INCORPORATION OF RECITALS AND EXHIBITS.** The recitals stated above are true and correct and by this reference are incorporated by reference as a material part of this Agreement. The Attachments are also incorporated and made a part of this Agreement.

**2. REPRESENTATIONS AND WARRANTIES OF THE PARTIES.** Each Party affirmatively and respectively makes for themselves the acknowledgments, representations, and warranties in **Attachment B**, as applicable, on which the Party acknowledges each and every other Party is relying for purposes of entering into this Agreement, and on which Directing Owners is relying for purposes of providing direction to the UMB Bank and the Company to execute this Agreement.

**3. SCOPE OF SERVICES.** Subject to the terms below, any other orders of the Minnesota Court, or direction of the Owners of more than [ten percent (10%)] of the Outstanding Bonds ("Directing Owners"), as applicable in the discretion of the Trustee, the Company will undertake to: (i) administer, control and manage the Delinquent Property; (ii) negotiate, administer, control, manage or otherwise deal with vendors for or purchasers of the Delinquent Property; (iii) give or refuse to give any consents, approvals or waivers in connection with the Delinquent Property; (iv) enforce or refrain from enforcing any matters relating to the Delinquent Property; (v) make decisions about the day-to-day administration of the Delinquent Property; (vi) consummate and close any sale or lease for all or a portion of the Delinquent Property and distribute proceeds from the sale under Section 3(b) of this Agreement; and (vii) to exercise all such powers as are incidental to any of the above matters.

**4. GENERAL PROVISIONS APPLICABLE TO THE COMPANY.**

(a) *Company Funding:* The Parties acknowledge that the sources of funds necessary to operate the Company and maintain the Delinquent Property are the amounts on deposit in the funds and accounts comprising the Trust Estate and revenues from the sale of all or a portion of the Delinquent Property, unless otherwise agreed to in writing. To obtain funds from the Trust Estate, the Company shall (i) prepare and obtain approval from Directing Owners of an annual operating budget ("Approved Budget"), and (ii) transmit funding requests, in the form of a requisition and consistent with the Approved Budget, to the Trustee and the Trustee will review and transmit funds to the Company within 30 days unless circumstances require payment in less time.

(b) *Distribution of Proceeds of the Sale of All or a Portion of the Property:* The Company, with the written direction of Directing Owners or by order of the Minnesota Court, as applicable in the discretion of the Trustee, may dispose of all or a portion of the Delinquent Property, the purchase price being any combination of cash and Special Taxes. If and when the Company receives cash from the sale of all or a portion of the Delinquent Property, all such monies shall be applied as follows:

First, to the payment of any then-due fees and expenses of the Company to the

extent not otherwise paid, including fees and expenses of legal counsel, accountants and other agents retained by the Company, if any, and any anticipated fees and expenses of the Company for which funds are not otherwise available (as addressed in a closing statement), subject to review by the Trustee for reasonableness; and

Second, to the Trustee, in lawful money of the United States of America, to be applied by the Trustee to its fees and expenses and in accordance with the terms of the Indenture.

(c) *Company May Act Through Agents; Answerable Only for Gross Negligence, Willful Misconduct or Violation of Law.* The Company may execute any powers under this Agreement and perform any duties required of it through attorneys, agents, officers, employees, and will be entitled to advice of Counsel concerning all questions under this Agreement. Neither the Company, nor the Managing Member (hereinafter defined), shall be answerable for the exercise of discretion or power pursuant to this Agreement nor for anything whatever in connection with the contractual relationships under this Agreement, except only for its own gross negligence, willful misconduct or violation of law.

The provisions of this Section 3(c) shall survive the termination of this Agreement and, as to the Company and its Managing Member, will continue to apply despite the Company's dissolution.

(d) *Insurance.* The Company shall, before the receipt of fee title to the Delinquent Property, file with the CF District and Trustee proof of insurance including, but not necessarily limited to, errors and omissions, property, casualty and liability insurance. All such policies of insurance shall be issued by an insurance company and with coverage satisfactory to the CF District and Trustee and shall name the CF District and Trustee as additional insureds under the policy. All insurance required by this paragraph will remain in full force and effect for the entire term of this Agreement and premiums therefore shall be payable from funds in the Trust Estate in accordance with the Approved Budget.

(e) *Conflicts.* The Parties acknowledge that UMB Bank, N.A., a national banking association, serves as managing member of the Company (“Managing Member”), and trustee, paying agent and registrar for the Bonds. As trustee, UMB Bank, N.A., acts for the benefit of Owners in enforcing the terms of the Indenture; as paying agent, UMB Bank, N.A., is authorized by the CF District to pay principal and interest to Owners of the Bonds; and as registrar, UMB Bank, N.A., maintains records on behalf of CF District that identify the Registered Owner of the Bonds. In light of the above and with the understanding that the Company will own, maintain, and sell Delinquent Property for the benefit of the Trust Estate and therefore for the benefit of the Owners, CF District waives any real or perceived conflicts resulting from UMB Bank, N.A., serving as Managing Member, trustee, paying agent and registrar.

(f) *Tax or Other Notices.* As fee title holder of the Delinquent Property, the Company shall be the owner of record for purposes of real estate taxes and other notices concerning the Delinquent Property. Upon receipt of a notice or knowledge of a material matter relating to the Delinquent Property including, but not limited to, a tax or assessment notice or notice of violation

of applicable law or code, the Company shall, within seven days - excluding weekends and holidays and unless the substance of the notice would dictate a shorter time span - transmit copies of the notice to the persons identified in Section 6(b) of this Agreement.

(g) *Books and Records; Right of Entry.* The Company shall maintain accurate books and records related to the Delinquent Property and the costs and expenses related thereto. The Company shall also permit CF District and Trustee and their authorized employees, agents or representatives to enter upon the Delinquent Property to inspect (and perform services, as appropriate) and will cooperate with CF District, Trustee and their representatives and contractors to enable them to perform their functions under this Agreement.

It is expressly agreed that any inspection made pursuant to this section by CF District, the Trustee or their representatives shall be made solely and exclusively for the protection and benefit of each of them and neither the Company nor any third parties shall be entitled to claim any loss or damage against CF District or the Trustee, or their employees, agents or representatives, for failure to properly discharge any duties of CF District or the Trustee, and they have no duty to make such inspections.

## **5. OTHER CONDITIONS AND ACKNOWLEDGMENTS.**

(a) The Parties agree and acknowledge that the exact location, size, configuration and composition of the Delinquent Property may change from time-to-time depending on the sale of parcels/lots by the Company to third parties. The initial land anticipated to constitute the Delinquent Property is described in Attachment A. As any other lands subject to the liens of CF District are foreclosed, it is the intent of the Parties that said lands, if acquired by the Company, shall fall within this Agreement and subject to the terms herein.

(b) Notwithstanding anything to the contrary in this Agreement, the performance by the Company of its obligations under this Agreement with respect to any portion of the Delinquent Property is expressly subject to, dependent and conditioned upon (i) receipt of a Sheriff's deed, warranty deed(s) or other deed, in a form satisfactory to the Parties conveying title to such portion of the Delinquent Property; (ii) receipt of environmental, ownership and encumbrance or other reports or documentation deemed necessary and satisfactory to the Company and the Trustee, if any; and (iii) no material changes adversely affecting the Delinquent Property or any portion thereof, environmental or otherwise, that may result in an increase in risk to the Company or its Managing Member, as determined in the Company's sole reasonable discretion.

(c) Nothing in this Agreement shall alter or amend the rights and responsibilities of CF District and the Trustee under the Indenture. The Indenture is hereby affirmed and continues to constitute a valid and binding Agreement between CF District and the Trustee. Without limiting the generality of the above, CF District acknowledges that nothing in this Agreement shall be deemed to waive any present or future Event of Default under the Indenture, nor shall any provision of this document be construed as a waiver or limitation on any other right, remedy, entitlement or claim by the Trustee under the Indenture or under any agreement, document, writing or instrument executed in connection with them.

**5. CONVEYANCE TO THE DISTRICT; DISSOLUTION OF COMPANY.** The Company agrees to own, maintain, sell and dispose of the Delinquent Property to benefit and on behalf of, Owners and Trust Estate. If those conditions are not met (*e.g.*, funds are no longer available in the Trust Estate and another funding source has not been secured) or changes affecting the Delinquent Property, environmental or otherwise, may reasonably increase risk to the Company or its Managing Member, the Company, as determined necessary in its sole discretion, may convey, and CF District shall accept, title to the Delinquent Property to be disposed of in accordance with its obligations under the Indenture. Any conveyance of the Delinquent Property to CF District shall be subject to the preservation or satisfaction of any other CF District liens that may otherwise be extinguished as a result of CF District's ownership of the Delinquent Property. Upon conveying the Delinquent Property to CF District, or as otherwise mutually agreed upon by the Parties, the Company shall dissolve. Upon dissolution, all records shall be transferred to CF District for maintenance and storage.

**6. GENERAL PROVISIONS.**

(a) *Exculpation of UMB Bank.* Except as otherwise specifically provided here, UMB Bank has executed this Agreement only in its capacity as Trustee under the Indenture, and only to evidence the consent of the Directing Owners to the transactions, covenants and obligations contemplated here, and not individually or for being bound in its individual or corporate capacity; *provided, however*, that UMB Bank has responsibility for the truth and accuracy of its representations relating to such consent. UMB Bank shall not have any individual or personal liability under or related to this Agreement other than as provided in the preceding sentence.

(b) *Notices.* All notices, demands, requests, consents and other communications required under this Agreement ("Notice") shall be delivered in writing and by (i) a nationally recognized courier service, to the persons and addresses identified in **Attachment C** attached; and (ii) electronic mail, return receipt requested. Each such Notice shall be effective when delivered at the address specified in Attachment B, or to a substitute address with respect to which all other Parties have been given Notice in the manner required by this section.

(c) *Successors and Assigns.* This Agreement and all of its terms and provisions shall be binding on, and shall inure to the benefit of, the Parties and their legal representatives, heirs, successors and permitted assigns.

(d) *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts together shall constitute but the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document. Any signature or initial on a copy of this Agreement, any other document or agreement described herein, or any document necessary or convenient thereto sent electronically or by facsimile shall be binding on transmission and the electronic or facsimile copy may be utilized for all purposes of this Agreement as if an original.

(e) *Severability.* If any provision of this Agreement shall be finally determined to be unlawful or unenforceable as applied to any situation in any jurisdiction or jurisdictions, this

Agreement shall be reformed and construed in any such jurisdiction or situation as if such unlawful or unenforceable provision had never been contained here and such provision reformed so that it would be lawful and enforceable as much as possible in such jurisdiction or in such situation, and every other provision of this Agreement will remain in effect.

(f) *Integration; Amendment.* This Agreement (including the Attachments hereto and made a part of this document) contains the entire understanding among the Parties with respect to the subject matter of this document and supersedes any prior understandings, inducements or conditions, expressed or implied, written, or oral, among them respecting the subject matter contained here. This Agreement may not be modified or amended, other than by an agreement in writing executed by and on behalf of the Party sought to be bound by such modification or amendment.

(g) *Legal Representation.* Each Party has been represented by legal counsel in connection with the negotiation of this Agreement and the transactions contemplated. Each Party and its counsel have had an opportunity to review and suggest revisions to the language of this Agreement. Accordingly, no provision of this Agreement shall be construed for or against or interpreted to the benefit or disadvantage of any Party because of any Party having or being deemed to have structured or drafted such provision.

(h) *Further Assurances.* Each Party agrees to execute and deliver such other documents and do such further acts as may be required or reasonably requested by the Parties to carry out the intent and purposes of this Agreement and carry out the terms of this document.

(i) *Third-Party Beneficiaries.* The Parties agree and acknowledge that UMB Bank is executing this Agreement with the consent of, and at the direction of, the Directing Owners. This Agreement is solely for the benefit of the Parties and the actual owners of the Bonds while the Bonds are registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“Beneficial Owners”), and no right or cause of action shall accrue upon or because of, to or for the benefit of any third party not a formal party to this Agreement (except for Beneficial Owners). Nothing in this Agreement expressed or implied is intended or shall be construed to grant any person or corporation other than the Parties and Beneficial Owners any right, remedy or claim under or because of this Agreement or any of the provisions or conditions of this Agreement, and all of the provisions, representations, covenants and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding on the Parties and their representatives, successors, and permitted assigns.

(j) *No Waiver.* None of the terms or provisions of this Agreement shall be deemed to have been abrogated or waived because of any failure or failures to enforce same. Nothing here or in any other agreement, written or oral, entered into by or binding on any Beneficial Owner shall be deemed a limitation on the ability of any Beneficial Owner to sell any or all of its interest in its Bonds to any entity at any time, in its sole and absolute discretion, subject to compliance with all applicable securities laws and regulations.

(k) *Authorization.* The execution of this Agreement has been duly authorized by the appropriate body or official of each Party, each Party has complied with all the requirements of

law, and each Party has the authority to comply with the terms and provisions of this Agreement. The Parties also acknowledge and agree that, with respect to this Agreement, UMB Bank created the Company and they have entered into this Agreement on the basis of the TIP Order.

(l) *Arm's Length Transaction; Interpretation.* This Agreement has been negotiated fully by the Parties as an arm's length transaction and represents the result of negotiations in good faith between the Parties, each of which has been represented by counsel of its own choosing and none of which has acted under any duress or compulsion whether legal, economic, or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings and the Parties each hereby waive the application of any rule of law which would otherwise apply in connection with the interpretation and construction of this Agreement that ambiguous and conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party whose attorney prepared the executed Agreement or any earlier draft.

(m) *Enforcement of Agreement.* If any Party must enforce this Agreement or any document executed and delivered pursuant to this Agreement by court proceedings or otherwise, then the prevailing Party may recover all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution or appellate proceedings. The Parties to this Agreement may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, including, but not limited to suit for specific performance or injunctive relief, protect and enforce any and all rights existing under California law, or granted and contained in this Agreement or any document executed and delivered pursuant to this Agreement, and may enforce and compel the performance of all duties required by this Agreement or any document executed and delivered pursuant to this Agreement.

(n) *Applicable Law and Venue.* This Agreement and the provisions contained here shall be construed, interpreted, and controlled according to the laws of the State of California, except as to matters subject to *in rem* jurisdiction of the Minnesota Court. Venue for any action arising out of or relating to this Agreement, the relationship of the Parties evidenced hereby, or any document executed pursuant to this Agreement shall lie solely in the California Superior Court and Minnesota Court, as applicable, and the corresponding courts of appeal, and the Parties consent to the jurisdiction of such courts.

(o) *Time; Business Day.* Whenever any time of day or particular hour is specified here, such time or hour shall be determined on the basis of Pacific Standard Time or Pacific Daylight Savings Time, whichever is then in effect in Placer County, California. Time is of the essence as to all dates, deadlines and times of performance under this Agreement. For purposes of this Agreement, "Business Day" means and refer to each day, except Saturdays, Sundays and other legal holidays, on which a majority of the banks in Placer County, California, are open for business.

(p) *Construction; Headings for Convenience Only.* Wherever the context so requires, the feminine gender shall be substituted for the masculine, the masculine for the feminine, and the neuter for either, the singular shall be substituted for the plural and the plural for the singular. The descriptive headings in this Agreement are for convenience only and shall not control or affect the

meaning or construction of any provision in this Agreement.

(q) *CF District and UMB Bank Limitations of Liability.* Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the CF District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the California Legislature, and nothing in this Agreement shall inure to the benefit of any third party for allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law. In addition, any provision of this Agreement to the contrary notwithstanding, UMB Bank has executed this Agreement only in its capacity as Trustee under the Indenture and only to evidence the consent of the Directing Owners to the transactions contemplated here, and not individually or for being bound in its individual or personal capacity. UMB Bank shall not have any individual or personal liability under or related to this Agreement.

(r) *Term.* This Agreement shall be effective as of the Effective Date and will remain in effect for so long as the Company owns or holds the Delinquent Property or any portion thereof or any sale proceeds and may be terminated only upon the mutual written agreement of the Parties or upon conveyance and permitted dissolution of the Company as set forth.

(s) *Waiver of Jury Trial.* THE PARTIES AGREE AS FOLLOWS: (A) EACH OF THEM KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR OTHER LITIGATION (AN “ACTION”) BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ENFORCEMENT OF ANY RELATED DOCUMENTS, INSTRUMENTS OR AGREEMENTS (WHETHER ORAL OR WRITTEN) WHETHER EXPRESS OR IMPLIED BECAUSE OF A COURSE OF DEALING, A COURSE OF CONDUCT, A STATEMENT OR OTHER ACTION OF ANOTHER PARTY; (B) NO PARTY MAY SEEK A TRIAL BY JURY IN ANY SUCH ACTION; (C) NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION (IN WHICH A JURY TRIAL HAS BEEN WAIVED) WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED; AND (D) NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO THE OTHER OF THEM THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

**IN WITNESS WHEREOF**, the Parties, with intent to be legally bound hereby, have caused this Agreement to be executed by their undersigned lawful representatives, hereunto duly authorized, on the date or dates set forth below.

[SIGNATURE PAGES TO FOLLOW]

CF DISTRICT SIGNATURE PAGE

Northstar Community Services District  
Community Facilities District No. 1

---

Mike Staudenmayer, General Manager

UMB BANK SIGNATURE PAGE

UMB BANK, N.A., in its capacity as  
successor trustee for the Bonds issued under  
the Indentures

---

Michael Slade, Senior Vice President

COMPANY SIGNATURE PAGE

NORTHSTAR TE, LLC,  
a Delaware limited liability company,

By its Managing Member, UMB Bank, N.A.,  
in its capacity as successor trustee for the  
Bonds issued under the Indentures

---

Michael Slade, Senior Vice President

ATTACHMENT A  
DELINQUENT PROPERTY

ATTACHMENT B-1  
CF DISTRICT REPRESENTATIONS AND WARRANTIES

CF District for itself hereby represents and warrants that:

1. *Organization and Standing.* CF District is a community facilities district duly established by the CS District and validly existing in good standing under the Act and has full power and authority to enter into this Agreement and complete the transactions contemplated by this Agreement, as applicable.

2. *Binding Agreement.* The acceptance and performance of the terms and provisions of this Agreement have been duly authorized and approved by all necessary actions on the part of CF District. Upon CF District's execution and delivery of this Agreement, this Agreement shall be binding and enforceable against CF District in accordance with its terms, and upon CF District's execution of the additional documents contemplated by this Agreement, as applicable, such additional documents shall be binding and enforceable against CF District in accordance with their respective terms.

3. *Consents.* Neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement is subject to any requirement that CF District obtain any consent, approval, or authorization of, or make any declaration or filing with, any governmental authority or third party which has not been obtained or which, in any case or in the aggregate, if not obtained or made would render such execution, delivery or consummation illegal or invalid.

4. *Conflict.* Neither the execution of this Agreement, the consummation of the transactions hereby contemplated, nor the fulfillment of the terms hereof, will conflict with or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, any agreement or instrument to which CF District is a party or any applicable laws or regulations of any governmental body having jurisdiction.

ATTACHMENT B-2  
UMB BANK REPRESENTATIONS AND WARRANTIES

UMB Bank, solely in its capacity as successor trustee for the Bonds, hereby represents and warrants that:

1. *Organization and Standing.* UMB Bank is a national banking association duly organized and validly existing in good standing under the laws of the United States of America and has full power and authority to enter into this Agreement and complete the transactions contemplated by this Agreement, as applicable.

2. *Binding Agreement.* The acceptance and performance of the terms and provisions of this Agreement have been duly authorized and approved by all necessary actions on the part of UMB Bank. Upon UMB Bank's execution and delivery of this Agreement, this Agreement shall be binding and enforceable against the Trustee in accordance with its terms, and upon UMB Bank's execution of the additional documents contemplated by this Agreement, as applicable, such additional documents shall be binding and enforceable against the Trustee in accordance with their respective terms.

3. *Consents.* Neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement is subject to any requirement that UMB Bank obtain any consent, approval, or authorization of, or make any declaration or filing with, any governmental authority or third party which has not been obtained or which, in any case or in the aggregate, if not obtained or made would render such execution, delivery or consummation illegal or invalid.

4. *Conflict.* Neither the execution of this Agreement, the consummation of the transactions hereby contemplated, nor the fulfillment of the terms hereof, will conflict with or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, any agreement or instrument to which UMB Bank, as Trustee, is a party or any applicable laws or regulations of any governmental body having jurisdiction.

THE ABOVE REPRESENTATIVES AND WARRANTIES HAVE BEEN PROVIDED IN RELIANCE ON THE DIRECTION RECEIVED FROM DIRECTING OWNERS AND THE TIP ORDER.

ATTACHMENT B-3  
COMPANY REPRESENTATIONS AND WARRANTIES

The Company for itself hereby represents and warrants that:

1. *Organization and Standing.* The Company is a Delaware limited liability company duly organized, validly existing, and in good standing in the State of California and has full power and authority on behalf of itself and the Lenders to enter into this Agreement and complete the transactions contemplated by this Agreement, as applicable.

2. *Binding Agreement.* The acceptance and performance of the terms and provisions of this Agreement have been duly authorized and approved by all necessary actions on the part of the Company. The Company's execution and delivery of this Agreement, this Agreement shall be binding and enforceable against the Company in accordance with its terms and shall be binding and enforceable against the Company in accordance with their respective terms.

3. *Consents.* Neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement is subject to any requirement that the Company obtain any consent, approval, or authorization of, or make any declaration or filing with, any governmental authority or third party which has not been obtained or which, in any case or in the aggregate, if not obtained or made would render such execution, delivery or consummation illegal or invalid.

4. *Conflict.* Neither the execution of this Agreement, the consummation of the transactions hereby contemplated, nor the fulfillment of the terms hereof, will conflict with or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, any agreement or instrument to which the Company is a party or any applicable laws or regulations of any governmental body having jurisdiction.

THE ABOVE REPRESENTATIVES AND WARRANTIES HAVE BEEN PROVIDED IN RELIANCE ON THE DIRECTION RECEIVED FROM DIRECTING OWNERS AND THE TIP ORDER.

ATTACHMENT C  
NOTICES PERSONS AND ADDRESSES

If to CF District: Northstar Community Service District  
Community Facilities District No. 1  
Attn: General Manager  
900 Northstar Drive  
Truckee, CA 96161  
Telephone: 530-562-0747  
Email: \_\_\_\_\_

With a copy to: Stradling  
Attn: Allison E. Burns, Esq.  
660 Newport Center Drive, Suite 1600  
Newport Beach, CA 92660  
Telephone: 949-725-4187  
Email: [aburns@stradlinglaw.com](mailto:aburns@stradlinglaw.com)

If to UMB Bank  
or the Company: UMB Bank, N.A., as Trustee  
Attn: Michael Slade  
120 South Sixth Street, Suite 1400  
Minneapolis, MN 55402  
Telephone: 612-337-7004  
Email: [Michael.slade@umb.com](mailto:Michael.slade@umb.com)

With a copy to: Greenberg Traurig, P.A.  
Attn: Brian A. Crumbaker  
101 E. College Ave.  
Tallahassee, Florida 32301  
Telephone: 850-425-8540  
Email: [CrumbakerB@gtlaw.com](mailto:CrumbakerB@gtlaw.com)

## Calendar for NCS D 2026

JANUARY	FEBRUARY	MARCH
	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> &amp; 2nd Quarter Financial Reporting</li> <li>• Ethics Training</li> </ul>	<ul style="list-style-type: none"> <li>• File Form 700 by April 1</li> <li>• FY 2025 Audit Report</li> <li>• Budget Draft 1</li> <li>• WEF – Award of Bid</li> </ul>
APRIL	MAY	JUNE
<ul style="list-style-type: none"> <li>• Budget - Draft 2</li> <li>• Harassment Training</li> </ul>	<ul style="list-style-type: none"> <li>• Budget – Draft 3</li> <li>• 3<sup>rd</sup> Quarter Financial Reporting</li> <li>• MUOC Annual Report</li> <li>• Election Services Resolution</li> </ul>	<ul style="list-style-type: none"> <li>• Approve FY2025/2026 Budget</li> <li>• Resolutions for user fees on tax rolls</li> <li>• Reserve Schedule A &amp; B</li> <li>• Resolution to place delinquent Water charges on the Tax Roll</li> <li>• <b>June 3 - Ribbon Cutting Ceremony for Martis Valley Trail</b></li> </ul>
JULY	AUGUST	SEPTEMBER
<ul style="list-style-type: none"> <li>• Budget needs to be in place</li> <li>• Finance Training</li> <li>• ACES Game - TBD</li> </ul>		<ul style="list-style-type: none"> <li>• 4<sup>th</sup> Quarter Financial Reporting</li> <li>• Establishment of Fee Schedules - NFD</li> </ul>
OCTOBER	NOVEMBER	DECEMBER
	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> Quarter Financial Reporting</li> <li>• Measure U Annual Fiscal Report</li> </ul>	<ul style="list-style-type: none"> <li>• Nomination of Board Officers for 2026</li> <li>• FY 2025-26 external audit presentation</li> <li>• <b>District Holiday Party – TBA</b></li> </ul>

**\*Tentative**

# NCSD Acronym Listing

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<b>Acronym</b>	<b>Definition</b>
ACOE	Army Corps of Engineers
ACWA	Association of California Water Agencies
ADP	Additional Discretionary Payment
AMR	Automatic Meter Reading
AWWA	American Water Works Association
BMP	Best Management Practices
BMS	Business Management System
BPS	Booster Pump System
CalPERS	California Public Employees' Retirement System
CAMCO	Condominium Association Management Company
CEPPT	California Employers' Pension Prefunding Trust
CC&Rs	Covenants, Conditions and Restrictions
CEQA	California Environmental Quality Act
CFD	Community Facilities District (Mello-Roos)
CIP	Capital Improvement Plan
CMMS	Computerized Maintenance Management System
COLA	Cost of Living Adjustment
CSA	County Service Area
CSDA	California Special Districts Association
CPUC	California Public Utilities Commission
CWPP	Community Wildfire Protection Plan
CY	Current Year or Calendar Year
DE	District Engineer
DFA	Director of Finance & Administration
DIP	Debtor in Possession
EDU	Equivalent Dwelling Unit
EVA	Emergency Vehicle Access
EWP	East West Partners
FASB	Financial Accounting Standards Board
FOG	Fats, Oil, and Grease
FSE	Food Service Establishment
FY	Fiscal Year
FYE	Fiscal Year End
GAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GPM	Gallons per Minute
GWMP	Groundwater Management Plan
HHC	Highlands Hotel Company
HRA	Health Reimbursement Arrangement or Human Resources Administrator
HVR	Highlands View Road
IT	Information Technology
JPA	Joint Powers Authority
LAFCo	Local Agency Formation Commission
LAIF	Local Agency Investment Fund
Lahontan	Lahontan Regional Water Quality Control Board

## NCSD Acronym Listing

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MCL	Maximum Contaminant Level
MOU	Memorandum of Understanding
MSR	Municipal Services Review
MVWS	Martis Valley Water System (aka ZONE 4)
NCSD	Northstar Community Services District
NWS	Northstar Water System
NEPA	National Environmental Policy Act
NLTRA	North Lake Tahoe Resort Association
NMMA	Northstar Mountain Master Association
NMP	Northstar Mountain Properties
NPOA	Northstar Property Owners Association
NTCA	North Tahoe Community Alliance
NTPUD	North Tahoe Public Utility District
O&M	Operations and Maintenance
OVPSD	Olympic Valley Public Service District
OPEB	Other Post-Employment Benefits
PCMP	Pension Cost management Policy
PCWA	Placer County Water Agency
PEPRA	Public Employees' Pension Reform Act
PERF	Public Employees' Retirement Fund
POUs	Public Owned Utilities
PRD	Permanent Road Division
RFP	Request for Proposal
RMA	Rate and Method of Apportionment
SAS	Statement on Auditing Standards
SCADA	Supervisory Control and Data Acquisition
SCBA	Self Contained Breathing Apparatus (Air Tanks)
SEP	Supplemental Environmental Project
SOW	Scope of Work
SSMP	Sewer System Management Plan
TCPUD	Tahoe City Public Utility District
TDPUD	Truckee Donner Public Utility District
TLC	Trimont Land Company
TOT	Transient Occupancy Tax
TROA	Truckee River Operating Agreement
TSD	Truckee Sanitary District
TTSA	Tahoe Truckee Sanitation Agency
TTSD	Tahoe Truckee Sierra Disposal
UOM	Utility Operations Manager
UAL	Unfunded Accrued Liability
VE	Value Engineering
VTM	Vesting Tentative Map
WEF	Wood Energy Facility
WTP	Water Treatment Plant
WUI	Wildland Urban Interface
ZONE4	PCWA nomenclature for Martis Camp, Schaffer's Mill, Lahontan, and adjacent communities

# NCSD Acronym Listing

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