

## **Information Concerning**

**Northstar Community Services District Community Facilities District No. 1  
\$56,125,000 Special Tax Bonds, Series 2005, \$58,590,000 Special Tax Bonds, Series 2006,  
and \$19,320,000 Special Tax Refunding Bonds, Series 2014**

### **CUSIP Numbers**

**Special Tax Bonds, Series 2005  
666704PAP9 and 66704PAQ7**

**Special Tax Bonds, Series 2006  
66704PBE3**

**Special Tax Refunding Bonds, Series 2014  
6704PBJ2, 66704PBK9,  
66704PBL7, 66704PBM5, 66704PBN3,  
66704PBP8, 66704PBR4 and 66704PBQ6**

## **NORTHSTAR COMMUNITY SERVICES DISTRICT COMMUNITY FACILITIES DISTRICT NO. 1 STATEMENT RE STATUS OF PENDING FORECLOSURE SALES**

The Northstar Community Services District Community Facilities District No. 1 (the “CFD”) previously secured judgments in its favor in two judicial foreclosure proceedings in connection with delinquent special taxes for the above-listed bonds (Placer Superior Court Case Nos. S-CV-0042801 and S-CV-0043081). The CFD is now in the process of obtaining writs of sale from the court for each of the subject parcels, which it will subsequently provide to the Placer County Sheriff’s office in furtherance of the foreclosure sale process. Taking into account statutory notice periods, the CFD anticipates the foreclosure sales will take place early in 2022.

### **1. ACM Litigation (S-CV-0042801)**

For the 2017-18 fiscal year, the CFD levied special taxes on ACM Northstar Holdings I LLC (“ACM I”) and ACM Northstar Holdings II LLC (“ACM II,” together with ACM I, the “ACM Defendants”), in connection with Placer County assessor’s parcel numbers (APNs) 706-204-000-000 and 114- 020-004-000, owned by ACM I and ACM II, respectively. The 2017-18 special taxes were to be paid in two equal installments, the first due on or before December 10, 2017, and the second due on or before April 10, 2018. As to both Parcels, the first and second installments of the special taxes were not paid by the respective delinquency dates, at which point penalties, interest, and fees began to accrue.

On April 4, 2018, the CFD filed a complaint against ACM I and ACM II for the judicial foreclosure of the two subject parcels. At the time of the complaint, the delinquencies, penalties, and interest were \$7,214.95 for the ACM I parcel, and \$303,658.80 for the ACM II parcel. The ACM Defendants failed to file an answer or otherwise respond to the complaint by their deadline, prompting the CFD to file a request for entry of default on July 22, 2019. On August 4,

2020, the Court held a hearing on the CFD's motion for default judgment for all delinquencies, penalties, fees, and interest that have accrued on the subject parcels. The CFD obtained a default judgment on November 10, 2020 and served a notice of entry of judgment on November 25, 2020.

Since obtaining default judgment, interest, fees, and penalties have continued to accrue on the ACM parcels, and additional years' special taxes have gone unpaid for the ACM II parcel. At the time of this disclosure, the accrued delinquencies, penalties, and interest are \$27,548.40 (ACM I) and \$ 1,561,597.90 (ACM II). The CFD is in the process of securing a writ of sale from the Placer County Superior Court for the ACM parcels. Upon receipt, the CFD will provide the writ of sale to the Placer County Sheriff's office and direct the foreclosure sales of the properties.

## **2. Mountainside Litigation (S-CV-0043081)**

For fiscal year 2018-2019, the CFD levied special taxes on undeveloped property within the CFD in an aggregate amount of \$4,520,987.48. Various subsidiaries and affiliates of Taylor Builders, LLC (collectively, "Mountainside Builders") owned substantially all of the taxable property within the boundaries of the CFD that is classified as "undeveloped" for purposes of CFD No. 1's special tax allocation. The 2018-2019 special taxes for those undeveloped properties became delinquent on April 10, 2019.

On June 4, 2019, the CFD filed a complaint against the listed owners of the delinquent parcels: Mountainside California 2, LLC ("Mountainside 2"), Mountainside California 3, LLC ("Mountainside 3"), and Timberline Highlands LLC ("Timberline," together with Mountainside 2 and Mountainside 3, the "Mountainside Defendants"), in connection with APNs 110-051-008-000 (the "Mountainside 2 Parcel"); 110-051-005-000; 110-051-006-000; 110-051-007-000; and 110-051-010-000 (the "Mountainside 3 Parcels"); and 110-051-013-000; 110-051-015-000; 110-051-018-000; 110-051-019-000; 110-051-047-000; 110-081-017-000; and 110-400-005-000 (the "Timberline Parcels"). At the time of the complaint the delinquencies, penalties, and interest were \$131,763.13 (Mountainside 2 Parcel), \$767,701.54 (Mountainside 3 Parcels), and \$4,019,459.28 (Timberline Parcels).

The Mountainside Defendants served a Verified Answer on August 5, 2019, admitting that as to all parcels, the 2018/2019 special taxes had not been paid. After settlement discussions, the parties entered a stipulation for entry of judgment, entitling CFD to foreclose upon the parcels for the total delinquencies plus penalties, fees, and interest. As part of the stipulation, Mountainside 2 was dismissed as a defendant as it transferred its interest in the Mountainside 2 Parcel to Mountainside 3. The Court entered judgment as stipulated and a notice of entry of the judgment was executed and served on August 12, 2020, ordering judicial foreclosure of the Mountainside Defendants' parcels.

Despite opportunities to credit the judgment, the special taxes for the 2018-2019 fiscal year, as well as fiscal years 2019-2020 and 2020-2021 remain unpaid and continue to accrue. At the time of this disclosure, the accrued delinquencies, penalties, and interest are \$3,878,656.45 (Mountainside 3 Parcels) and \$20,509,240.67 (Timberline Parcels). The CFD is filing an application for a writ of sale with the Placer Superior Court for each of the Mountainside parcels

identified above. Upon receipt, the CFD will provide the writ of sale to the Placer County Sheriff's office and direct the foreclosure sales of the properties.