



Toll Brothers Apartment Living® and EJF Capital LLC Announce Joint Venture to Develop 218-Unit Rental Community in Santa Ana, California

November 01, 2021

JV Secures \$66 Million Construction Loan from Santander Bank, N.A.

FORT WASHINGTON, Pa., Nov. 01, 2021 (GLOBE NEWSWIRE) -- Toll Brothers, Inc. (NYSE: TOL) (TollBrothers.com), the nation's leading builder of luxury homes, through its Toll Brothers Apartment Living® rental subsidiary, and EJF Capital LLC have announced the formation of a new joint venture to develop Rafferty, a 218-unit multifamily rental community in Santa Ana, Calif. The project is being financed through a \$66 million construction loan facility from Santander Bank, N.A. The debt was arranged by Toll Brothers' in-house Finance Department. Berkadia JV Equity & Structured Capital arranged the equity financing.

Rafferty is located in the heart of historic, walkable downtown Santa Ana, in the center of restaurants, retail and other entertainment including the 4th Street Market, McFadden Public Market food halls, and the independent Frida Cinema. The centralized location in Orange County, including the addition of the OC Streetcar at the property's front door, offers a commute of under an hour to downtown Los Angeles by car or rail. The property is a short drive to John Wayne Airport and Orange County's leading employment centers, such as South Coast Metro, Newport Center, and Irvine Spectrum.

Rafferty will consist of 218 rental apartments in two buildings, one five-story and one seven-story, with a total of 328 parking spaces. The apartment units will feature high-end luxury finishes and a best-in-class amenity package, including a state-of-the-art fitness center, resident lounge, maker's room, jam room, speakeasy, co-working space, and sky lounge with outdoor terrace. Outdoor amenities include a resort-style pool, seating with grills and fire pit, and outdoor fitness equipment. Rafferty will also offer 12,350 square feet of ground-floor commercial space along Main and 4th Streets. This space is projected to include opportunities for restaurant, fitness, service, and retail uses.

Charles Elliott, President of Toll Brothers Apartment Living, stated: "We are excited to continue our expansion in Orange County and bring our elevated offerings to historic Santa Ana. We look forward to becoming an active partner for the residents and businesses of this vibrant community."

Fred Cooper, Toll Brothers' Senior Vice President, Finance and Investor Relations, stated: "Rafferty represents the first in a series of exciting transformative projects Toll Brothers will be developing in Opportunity Zones across

the U.S. and will make a significant contribution to the vitality and energy of Santa Ana's historic downtown lifestyle. We look forward to working with EJF and Santander Bank to bring this dynamic project to fruition."

"Santa Ana is in the middle of an incredibly dynamic county, yet the majority of its residents commute to jobs outside the area," concluded Asheel Shah, EJF's Senior Managing Director and Head of Real Estate Development. "We believe this combined imbalance is driven by the lack of new multifamily housing opportunities in downtown Santa Ana, and that Rafferty is well-positioned to capture unmet demand for multifamily living in this community."

Please visit TollBrothersApartmentLiving.com for future updates and information regarding the community.

ABOUT TOLL BROTHERS

Toll Brothers, Inc., a FORTUNE 500 Company, is the nation's leading builder of luxury homes. The Company was founded over 50 years ago in 1967 and became a public company in 1986. Its common stock is listed on the New York Stock Exchange under the symbol "TOL." The Company serves first-time, move-up, empty-nester, active-adult, and second-home buyers, as well as urban and suburban renters. Toll Brothers builds in 24 states: Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, and Washington, as well as in the District of Columbia. The Company operates its own architectural, engineering, mortgage, title, land development, golf course development, smart home technology, and landscape subsidiaries.

The Company also operates its own lumber distribution, house component assembly, and manufacturing operations.

2021 marks the 10th year Toll Brothers has been named to FORTUNE magazine's World's Most Admired Companies[®] list. Toll Brothers has also been honored as Builder of the Year by Builder magazine and is the first two-time recipient of Builder of the Year by Professional Builder magazine. For more information visit TollBrothers.com.

ABOUT TOLL BROTHERS APARTMENT LIVING[®]

Toll Brothers Apartment Living is the apartment development division of Toll Brothers, Inc. (NYSE: TOL). Toll Brothers Apartment Living is bringing the same quality, value, and service familiar to luxury home buyers throughout the country to upscale rental communities in select markets, including Atlanta, Boston, Dallas, Los Angeles, New York, Philadelphia, Phoenix and Washington, DC. Toll Brothers Apartment Living was ranked 11th largest apartment developer in the U.S. in 2020 by the National Multi-Family Housing Council. The firm has developed more than 8,100 units, has more 5,300 units under management and controls a national pipeline of more than 14,800 units. Toll Brothers Apartment Living communities combine the energy of vibrant locations with unparalleled amenities, resident services, design, and the expertise of the nation's leading builder of luxury homes. For more information visit TollBrothersApartmentLiving.com.

ABOUT EJF CAPITAL LLC

EJF Capital LLC is a global alternative asset management firm headquartered outside of Washington, D.C. As of June 30, 2021, EJF manages approximately \$6.0 billion across a diverse group of alternative asset strategies. The firm was founded in 2005 by Manny Friedman and Neal Wilson. Since inception, EJF has focused on regulatory event-driven investment themes including its strategy to invest in Opportunity Zones.

EJF formed the EJF OpZone Fund I LP and the EJF OpZone Fund II LP (the "Funds") to take advantage of certain

benefits provided by the TCJA. Benefits to U.S. taxable investors include the ability for investors to (1) defer the recognition of recent capital gains for federal income tax purposes until 2026 (treatment of capital gains varies by state), (2) reduce the amount of capital gains recognized in 2026 by 10% (for investors investing by 2021), and (3) eliminate any federal capital gains tax generated from investments in the Funds (for investors in the Funds at least ten years). If you would like more information on the Fund, please visit <http://ejfopzone.com> or contact EJF Investor Relations at investorrelations@ejfcap.com.

TOLL BROTHERS' FORWARD-LOOKING STATEMENTS

This release contains or may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. One can identify these statements by the fact that they do not relate to matters of a strictly historical or factual nature and generally discuss or relate to future events. These statements contain words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "may," "can," "could," "might," "should," "likely," "will," and other words or phrases of similar meaning. Such statements may include, but are not limited to, information and statements regarding: the impact of Covid-19 on the U.S. economy and our business; expectations regarding interest rates and inflation; the markets in which we operate or may operate; our strategic objectives and priorities; our land acquisition, land development and capital allocation priorities; housing market conditions; demand for our homes; anticipated operating results and guidance; home deliveries; financial resources and condition; changes in revenues; changes in profitability; changes in margins; changes in accounting treatment; cost of revenues, including expected labor and material costs; selling, general, and administrative expenses; interest expense; inventory write-downs; home warranty and construction defect claims; unrecognized tax benefits; anticipated tax refunds; sales paces and prices; effects of home buyer cancellations; growth and expansion; joint ventures in which we are involved; anticipated results from our investments in unconsolidated entities; our ability to acquire or dispose of land and pursue real estate opportunities; our ability to gain approvals and open new communities; our ability to market, construct and sell homes and properties; our ability to deliver homes from backlog; our ability to secure materials and subcontractors; our ability to produce the liquidity and capital necessary to conduct normal business operations or to expand and take advantage of opportunities; and the outcome of legal proceedings, investigations, and claims.

Any or all of the forward-looking statements included in this release are not guarantees of future performance and may turn out to be inaccurate. This can occur as a result of incorrect assumptions or as a consequence of known or unknown risks and uncertainties. The major risks and uncertainties – and assumptions that are made – that affect our business and may cause actual results to differ from these forward-looking statements include, but are not limited to:

- the effects of the ongoing Covid-19 pandemic, which remain highly uncertain, cannot be predicted and will depend upon future developments, including the duration of the pandemic, the impact of mitigation strategies taken by applicable government authorities, the continued availability and effectiveness of vaccines, adequate testing and therapeutic treatments and the prevalence of widespread immunity to Covid-19;
- the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and strength of the U.S. dollar;
- market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions;

- the availability of desirable and reasonably priced land and our ability to control, purchase, hold and develop such land;
- access to adequate capital on acceptable terms;
- geographic concentration of our operations;
- levels of competition;
- the price and availability of lumber, other raw materials, home components and labor;
- the effect of U.S. trade policies, including the imposition of tariffs and duties on home building products and retaliatory measures taken by other countries;
- the effects of weather and the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters, and the risk of delays, reduced consumer demand, and shortages and price increases in labor or materials associated with such natural disasters;
- the risk of loss from acts of war, terrorism or outbreaks of contagious diseases, such as Covid-19;
- federal and state tax policies;
- transportation costs;
- the effect of land use, environment and other governmental laws and regulations;
- legal proceedings or disputes and the adequacy of reserves;
- risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, indebtedness, financial condition, losses and future prospects;
- the effect of potential loss of key management personnel;
- changes in accounting principles;
- risks related to unauthorized access to our computer systems, theft of our and our homebuyers' confidential information or other forms of cyber-attack; and
- other factors described in "Risk Factors" included in our Annual Report on Form 10-K for the year ended October 31, 2020 and in subsequent filings we make with the Securities and Exchange Commission ("SEC").

Many of the factors mentioned above or in other reports or public statements made by us will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from our forward-looking statements.

Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

For a further discussion of factors that we believe could cause actual results to differ materially from expected and historical results, see the information under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Annual Report on Form 10-K filed with the SEC and in subsequent reports filed with the SEC. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995, and all of our forward-looking statements are expressly qualified in their entirety by the cautionary statements contained or referenced in this section.

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A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/ea7448d9-8f69-4de4-9ecb-46b0f4239dfe>



Source: Toll Brothers, Inc.

Rafferty, Santa Ana, Calif.



Rafferty