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PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 29, 2025

NEW ISSUE-FULL BOOK ENTRY

**Rating: S&P: "AA" (Insured Bonds Only)
S&P: "A+" (Underlying)
See the caption RATINGS"**

In the opinion of Rutan & Tucker, LLP, Irvine, California ("Bond Counsel"), based upon an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, with respect to certain corporations, interest on the Bonds is included in determining adjusted financial statement income in order to compute alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Bonds. See the caption "TAX EXEMPTION" herein.



\$135,330,766.95*
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
2025 SPECIAL TAX BONDS

Dated: Delivery Date

Due: September 1, as shown on inside cover page

The City of Irvine Community Facilities District No. 2013-3 (Great Park) Improvement Area No. 11 2025 Special Tax Bonds (the "Bonds") are being issued by the City of Irvine Community Facilities District No. 2013-3 (Great Park) (the "District") on behalf of Improvement Area No. 11 therein ("Improvement Area No. 11") to: (i) finance certain public improvements benefitting the property located within the District; (ii) purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on the Insured Bonds (as defined below); (iii) purchase a debt service reserve insurance policy for deposit in the Reserve Fund to fund 75% of the initial Reserve Requirement and fund a cash deposit for the remaining 25% of the initial Reserve Requirement; (iv) pay costs of issuance for the Bonds; and (v) pay a portion of the interest on the Bonds on March 1, 2027 and September 1, 2027. The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the "Act"), and pursuant to that certain Bond Indenture, dated as of November 1, 2025 (the "Indenture"), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The Bonds are payable from Special Taxes (as defined herein) to be levied on taxable parcels within Improvement Area No. 11 and from certain other funds pledged under the Indenture, all as further described herein. The Special Taxes are to be levied according to the rate and method of apportionment approved by the City Council of the City and the qualified electors within Improvement Area No. 11. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes" and Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES."

The Bonds will be issued as a combination of Current Interest Bonds and Capital Appreciation Bonds. The Bonds will be issued in denominations of \$5,000 in Principal Amount (in the case of Current Interest Bonds) or Maturity Value (in the case of Capital Appreciation Bonds), or any integral multiple thereof. Interest on the Current Interest Bonds is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2026. The Capital Appreciation Bonds will not bear interest but will accrete interest, compounded on each March 1 and September 1, commencing March 1, 2026, and are payable only upon maturity or the redemption thereof. The Bonds will be initially issued only in book-entry form and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York, which will act as securities depository of the Bonds. Principal and interest (and premium, if any) on the Bonds is payable by the Trustee to DTC, which will remit such payments to its participants for subsequent distribution to the beneficial owners of the Bonds. See "THE BONDS — General Provisions" and "— Book-Entry Only System" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT IS PLEDGED TO THE PAYMENT OF THE BONDS OR ANY PARITY BONDS. EXCEPT FOR THE SPECIAL TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS AND PARITY BONDS. THE BONDS AND ANY PARITY BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM CERTAIN AMOUNTS DEPOSITED BY THE DISTRICT IN THE SPECIAL TAX FUND, AS MORE FULLY DESCRIBED HEREIN.

The Bonds are subject to redemption prior to maturity as set forth herein. See the caption "THE BONDS — Redemption."

The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest when due on the Bonds maturing on and after September 1, 20__ (the "Insured Bonds") will be guaranteed under a municipal bond insurance policy to be issued concurrently with the issuance of the Insured Bonds by Assured Guaranty Inc. (the "Bond Insurer"). See "BOND INSURANCE" herein.



Investment in the Bonds involves risks that are not appropriate for certain investors. Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the caption "SPECIAL RISK FACTORS" for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

MATURITY SCHEDULE
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by Stifel, Nicolaus & Company, Incorporated, the Underwriter, subject to the approval as to their legality by Rutan & Tucker, LLP, Irvine, California, as Bond Counsel. Certain legal matters will be passed upon for the City and the District by Rutan & Tucker, LLP, Irvine, California, for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth LLP, Newport Beach, and for the Trustee by its counsel. It is anticipated that the Bonds in definitive form will be available for delivery to DTC or its agent on or about November 26, 2025.

STIFEL

Dated: _____, 2025

* Preliminary, subject to change.

MATURITY SCHEDULE

\$ _____

CITY OF IRVINE

COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)

IMPROVEMENT AREA NO. 11

2025 SPECIAL TAX BONDS

CURRENT INTEREST BONDS

<i>Maturity Date</i> <i>(September 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP No.</i> [†]
	\$	%	%		

\$ _____ % Term Bonds due September 1, 20__ Yield: _____ % Price: _____ CUSIP No.[†] _____

\$ _____ % Term Bonds due September 1, 20__ Yield: _____ % Price: _____ CUSIP No.[†] _____

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

CAPITAL APPRECIATION BONDS

<i>Maturity Date (September 1)</i>	<i>Original Principal Amount</i>	<i>Accretion Rate</i>	<i>Yield</i>	<i>Price</i>	<i>Maturity Value</i>	<i>CUSIP No. [†]</i>
	\$	%	%		\$	

CITY OF IRVINE, CALIFORNIA

CITY COUNCIL

Larry Agran, *Mayor*
James Mai, *Vice Mayor*
Mike Carroll, *Councilmember*
William Go, *Councilmember*
Melinda Liu, *Councilmember*
Kathleen Treseder, *Councilmember*
Betty Martinez Franco, *Councilmember*

CITY OFFICIALS

Sean Crumby, *City Manager*
Michelle Grettenberg, *Assistant City Manager*
Pete Carmichael, *Assistant City Manager*
Brian King, *Assistant City Manager*
Don Collins, *City Treasurer*
Carl Petersen, *City Clerk*
Jeffrey T. Melching (Rutan & Tucker, LLP), *City Attorney*
Stephanie Frady, *Director of Community Development*
Christopher Slama, *Director of Community and Library Services*
Alex Salazar, *Acting Director of Public Works and Sustainability*
Michael Kent, *Director of Public Safety/Chief of Police*
Dahle Bulosan, *Director of Administrative Services*
Melissa Haley, *Director of Communications and Engagement*
Michelle Riske, *Director of Human Resources*

PROFESSIONAL SERVICES

BOND COUNSEL

Rutan & Tucker, LLP
Irvine, California

TRUSTEE

U.S. Bank Trust Company, National Association
Los Angeles, California

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.
Irvine, California

SPECIAL TAX CONSULTANT

Willdan Financial Services
Anaheim, California

Investment in the Bonds, involves risks which are not appropriate for certain investors. Therefore, only persons with substantial financial resources (in net worth or income) who understand (either alone or with competent investment advice) those risks should consider such an investment.

Except where otherwise indicated, all information contained in this Official Statement has been provided by the City of Irvine and the District. No dealer, broker, salesperson or other person has been authorized by the City, the District, the Trustee or the Underwriter to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein; and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the District, the Trustee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The information set forth herein which has been obtained from third party sources is believed to be reliable but is not guaranteed as to accuracy or completeness by the District or the City. This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, the District or any other parties described herein since the date hereof. All summaries of the Indenture or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith. While the City maintains an internet website for various purposes, none of the information on that website is incorporated by reference herein or intended to assist investors in making any investment decision or to provide any continuing information with respect to the Bonds or any other bonds or obligations of the City or the District. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to the forward-looking statements set forth in this Official Statement. The District is obligated to provide continuing disclosure for certain historical information only. See the caption “MISCELLANEOUS — Continuing Disclosure” herein.

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

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

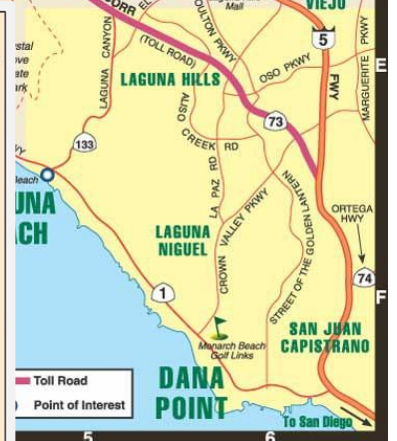
THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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This is a detailed map of Orange County, California, showing major cities, highways, and landmarks. The map is color-coded by city: La Habra (blue), Brea (green), Fullerton (green), Placentia (green), Yorba Linda (green), Anaheim (green), Garden Grove (green), Santa Ana (green), Tustin (green), Irvine (red), San Juan Hills (red), Newport Beach (green), and Huntington Beach (green). Major highways are shown in orange and yellow, with route numbers in red. Landmarks include Disneyland, Knott's Berry Farm, and the John Wayne Airport. The map also shows the Pacific Ocean, Huntington Harbour, and various golf courses and parks.



City of Irvine

Community Facilities District No. 2013-3 (Great Park) and Community Facilities District No. 2013-3B (Great Park)

CITY of IRVINE

**Community Facilities District No.
2013-3 (Great Park)**
Improvement Areas 1-11

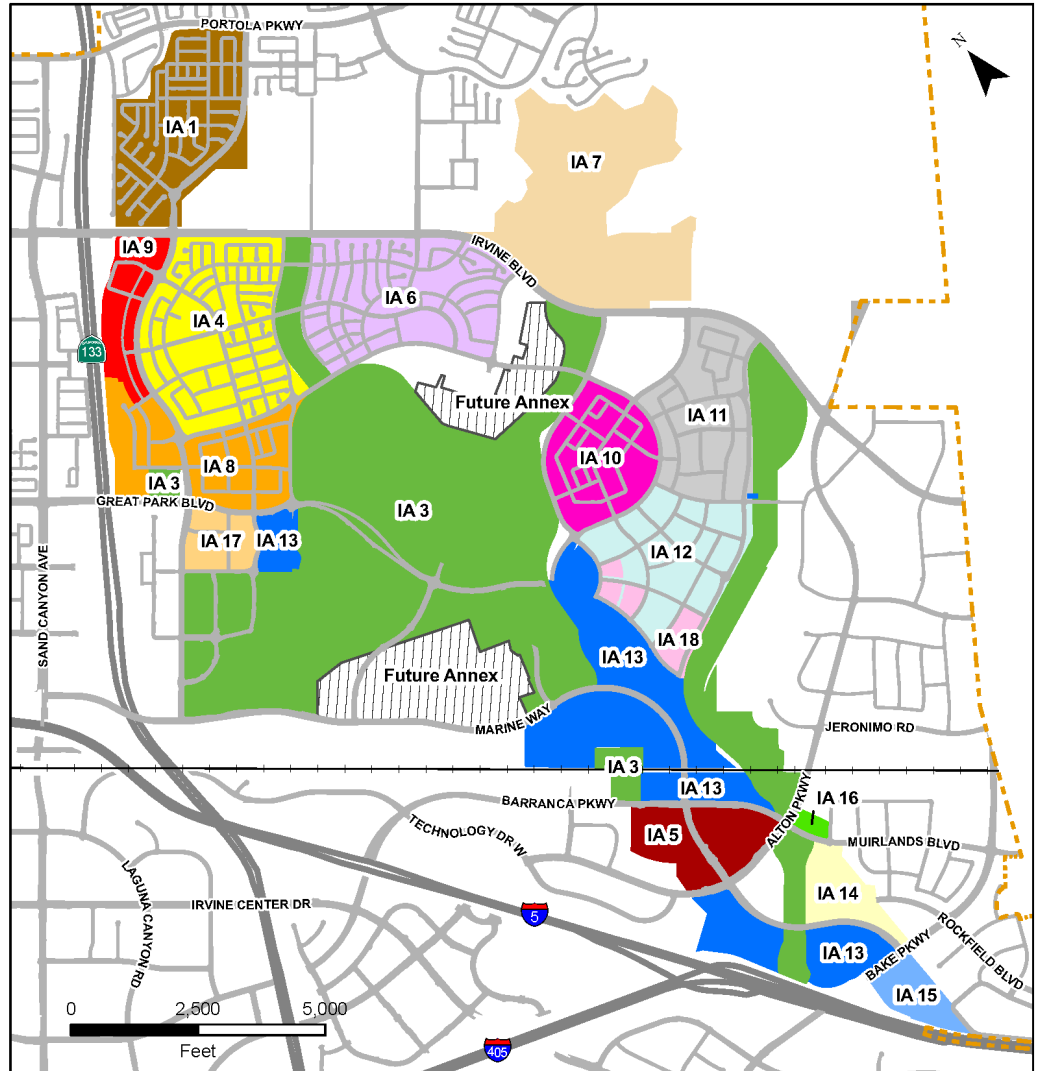
2013-3B (Great Park)
Improvement Areas 12-18
& Future Annexation

- City Boundary
- Future Annex
- Improvement Area 1 (Pavilion Park) Dist 8
- Improvement Area 3 (GP)
- Improvement Area 4 (Beacon Park) Dist 1
- Improvement Area 5 (Broadcom) Dist 3
- Improvement Area 6 (Cadence Park) Dist 4
- Improvement Area 7 (Altair) Dist 7
- Improvement Area 8 (Parasol Park) Dist 1 S
- Improvement Area 9 (Novel Park) Dist 1 NW
- Improvement Area 10 (Rise Park)
- Improvement Area 11 (Solis Park)
- Improvement Area 12
- Improvement Area 13
- Improvement Area 14
- Improvement Area 15
- Improvement Area 16
- Improvement Area 17
- Improvement Area 18
- Railroad
- Streets
- Freeways



Updated: 02/24/2025

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City of Irvine

Community Facilities District 2013-3 (Great Park) Improvement Area No. 11



\$135,330,766.95*
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
2025 SPECIAL TAX BONDS

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by the City of Irvine Community Facilities District No. 2013-3 (Great Park) (the “District”) of \$135,330,766.95* City of Irvine Community Facilities District No. 2013-3 (Great Park) Improvement Area No. 11 2025 Special Tax Bonds (the “Bonds”). The proceeds of the Bonds will be used to: (i) finance certain public improvements benefitting the property located within the District; (ii) purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on the Insured Bonds (as defined below); (iii) purchase a debt service reserve insurance policy for deposit in the Reserve Fund to fund 75% of the initial Reserve Requirement and fund a cash deposit for the remaining 25% of the initial Reserve Requirement; (iv) pay costs of issuance for the Bonds; and (v) pay a portion of the interest on the Bonds on March 1, 2027 and September 1, 2027.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the “Act”), a resolution adopted on October 28, 2025, by the City Council of the City, acting as the legislative body of the District, and a Bond Indenture, dated as of November 1, 2025 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Bonds are secured under the Indenture by a pledge of and lien upon Special Taxes (as such term is defined herein) levied on parcels within Improvement Area No. 11 of the District (“Improvement Area No. 11”) and any other amounts held in the Special Tax Fund (as such term is defined herein), as described in the Indenture.

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined have the meanings set forth in Appendix D.

The District and Improvement Area No. 11

General. The City is located in the central portion of the County of Orange, California (the “County”) and encompasses approximately 66 square miles. The City was incorporated on December 28, 1971 and is a charter city. As of January 1, 2025, the City had a population of approximately 320,000.

The District was established on March 26, 2013 in accordance with the Act and is a legally constituted governmental entity separate and apart from the City. The District is located in the eastern portion of the City, south of Highway 133 and east of Interstate 5. The majority of the District is located in, and, together with the New CFD (as defined under the “THE DISTRICT”), comprises most of the acreage of, the privately-owned master-planned project known generally as the Great Park Neighborhoods. See “THE DISTRICT.”

* Preliminary, subject to change.

The City formed Improvement Area No. 11 (“Improvement Area No. 11”) within the District on March 10, 2020. Improvement Area No. 11 consists of approximately 120 acres and is generally located southwest of Irvine Boulevard, south of Merit, northwest of Alton Parkway, and northeast of Astor. Development in Improvement Area No. 11 is complete, consisting of residential development of 479 attached and 431 detached residential units. Two parcels of Improvement Area No. 11 are owned by the Master Developer (as defined below) and are in the process of being transferred to the Great Park Neighborhoods Community Association (the “Master HOA”).

All of the property within Improvement Area No. 11 was initially owned by Heritage Fields El Toro LLC (the “Master Developer”) before being sold to merchant builders for development. Residential units in Improvement Area No. 11 were developed by five national merchant builders, with construction beginning in approximately May 2022. The last units were transferred to homeowners in August 2025.

See the captions “THE DISTRICT” and “IMPROVEMENT AREA NO. 11” for further information with respect to the District, Improvement Area No. 11 and the development therein.

Formation Proceedings. The District and Improvement Area No. 11 were established pursuant to the Act. The Act was enacted to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, the City Council of the City adopted Resolution No. 20-22 on March 10, 2020 designating Improvement Area No. 11 within the District. On the same date, the City Council also adopted Resolution No. 20-23 determining the necessity to have the District incur bonded indebtedness for Improvement Area No. 11 in an amount up to \$155,000,000. Both resolutions called for a special election to submit propositions to authorize the levy of the Special Tax within Improvement Area No. 11 and the incurring of bonded indebtedness for Improvement Area No. 11 to the qualified electors of Improvement Area No. 11.

At a special election held on March 10, 2020, the owners of the property within the boundaries of Improvement Area No. 11 authorized the District to incur bonded indebtedness for Improvement Area No. 11 in an amount up to \$155,000,000 and approved the Rate and Method of Apportionment for Improvement Area No. 11 (the “Rate and Method”). Upon issuance of the Bonds, there will remain \$19,669,233.05* of authorized but unissued bonded indebtedness for Improvement Area No. 11. See the caption “SOURCES OF PAYMENT FOR THE BONDS — Issuance of Parity Bonds” for the limitations on the issuance of additional bonds secured by the Special Taxes (as defined below).

By Ordinance No. 20-03 adopted by the City Council on March 24, 2020, the City authorized the levy of the Special Tax within Improvement Area No. 11 commencing in Fiscal Year 2020-21 and in each Fiscal Year thereafter in accordance with the Rate and Method.

A copy of the Rate and Method is attached hereto as Appendix A.

* Preliminary, subject to change.

Sources of Payment for the Bonds

Special Taxes. As used in this Official Statement, the term “Special Taxes” means the annual Special Taxes which have been authorized pursuant to the Act and the Rate and Method to be levied upon taxable property within Improvement Area No. 11. See the caption “SOURCES OF PAYMENT FOR THE BONDS — Rate and Method of Apportionment” and Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES.” The District contains other improvement areas besides Improvement Area No. 11. None of the special taxes collected within such other improvement areas are pledged to the Bonds.

Under the Indenture, the District has pledged to repay the Bonds and any Parity Bonds (as defined herein) from the Special Taxes and from other amounts in the Special Tax Fund established under the Indenture. The Special Taxes are the primary source of security for the repayment of the Bonds and any Parity Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds and any Parity Bonds are amounts held by the Trustee in the Special Tax Fund, including amounts held in the Reserve Account therein, to the limited extent described in the Indenture. See the caption “SOURCES OF PAYMENT FOR THE BONDS — Reserve Account.”

Foreclosure Proceeds. The District will covenant in the Indenture for the benefit of the owners of the Bonds and Parity Bonds that it will within 150 days of a delinquency in the payment of any Special Taxes forthwith undertake and diligently prosecute foreclosure proceedings to collect such delinquent amounts provided however that if the amount collected from any source including Teeter Payments is greater than 92.5% of the aggregate amount of Special Taxes levied and the amount in the Reserve Account is at least equal to the Reserve Requirement, the District shall not be required to undertake such foreclosure proceedings unless it is determined that any single property owner is delinquent in excess of \$25,000 in the payment of the Special Taxes applicable to such property owner’s property, in which case, the District will diligently institute, prosecute and pursue such foreclosure proceedings against such property. Upon the redemption or sale of the real property responsible for such delinquencies, the District will deposit in the Special Tax Fund the net proceeds of such redemption or sale. See the caption “SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales.*” There is no assurance that the property within Improvement Area No. 11 can be sold for the assessed values described herein, or for a price sufficient to pay the principal of and interest on the Bonds in the event of a default in payment of Special Taxes by the current or future landowners within the District. See the caption “SPECIAL RISK FACTORS —Property Values.”

EXCEPT FOR SPECIAL TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM SPECIAL TAXES AND AMOUNTS HELD UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN.

Description of the Bonds

Payments. The Bonds will be issued as a combination of Current Interest Bonds (the “Current Interest Bonds”) and Capital Appreciation Bonds (the “Capital Appreciation Bonds”). Interest on the Current Interest Bonds is payable semiannually on March 1 and September 1 of each year (each, an “Interest Payment Date”), commencing March 1, 2026. The Capital Appreciation Bonds will not bear interest but will accrete interest, compounded on each March 1 and September 1, commencing March 1, 2026, and are payable only upon maturity or the redemption thereof. The amount payable on maturity of each Capital Appreciation Bond is equal to its initial Principal Amount plus the interest compounded thereon between the delivery date and the maturity date thereof (the “Maturity Value”). Principal of, interest and premium, if any, on the Bonds shall be payable by the Trustee. See “THE BONDS — General Provisions” and “— Book-Entry Only System” herein.

The Accreted Value (defined below) as of each March 1 and September 1 for the Capital Appreciation Bonds is set forth in Appendix H. See APPENDIX H—“TABLE OF ACCRETED VALUES.”

Denominations. The Bonds will be issued in denominations of \$5,000 each in Principal Amount (in the case of Current Interest Bonds) or Maturity Value (in the case of Capital Appreciation Bonds), or integral multiples thereof.

Redemption. The Bonds are subject to redemption prior to their maturity. See “THE BONDS — Redemption” herein.

Registration, transfers and exchanges. The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) under the book-entry system maintained by DTC. See “THE BONDS —Registration, Transfer and Exchange” and “— Book-Entry Only System.”

Accreted Values

Appendix H contains a table of the original principal plus the interest that will accrete on the Capital Appreciation Bonds (together, the “Accreted Value”) as of each March 1 and September 1 for each maturity of Capital Appreciation Bonds. The amount of Accreted Value as of any March 1 and September 1 determined by the Trustee in accordance with the provisions of the Indenture shall control over any different amount of Accreted Value determined by reference to Appendix H.

Bond Insurance

The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest when due on the Bonds maturing on and after September 1, 20__ (collectively, the “Insured Bonds”) will be guaranteed under a municipal bond insurance policy to be issued concurrently with the issuance of the Bonds (the “Insurance Policy”) by Assured Guaranty Inc. (the “Bond Insurer”). The Bond Insurer will also issue a debt service reserve insurance policy concurrently with the issuance of the Bonds to be credited to the Reserve Account for the Bonds (the “Reserve Policy”) to satisfy 75% of the initial Reserve Requirement. See the caption “BOND INSURANCE” and Appendix G—“SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

Tax Exemption

In the opinion of Rutan & Tucker, LLP, Irvine, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption “TAX EXEMPTION.”

Set forth in Appendix C is the form of opinion of Bond Counsel expected to be delivered in connection with the issuance of the Bonds. For a more complete discussion of such opinion and certain tax consequences incident to the ownership of the Bonds, see the caption “TAX EXEMPTION.”

Professionals Involved in the Offering

All proceedings in connection with the issuance of the Bonds are subject to the approval of Rutan & Tucker, LLP, Irvine, California, Bond Counsel. Rutan & Tucker, LLP, Irvine, California, will render a legal opinion on certain matters for the City and the District. Willdan Financial Services, Anaheim, California, is acting as Special Tax Consultant to the City (the “Special Tax Consultant”). U.S. Bank Trust Company, National Association, Los Angeles, California, will act as Trustee with respect to the Bonds. Fieldman, Rolapp & Associates, Inc., Irvine, California, is serving as municipal advisor to the District in connection with the issuance of the Bonds (the “Municipal Advisor”). Stifel, Nicolaus & Company, Incorporated, is acting as underwriter (the “Underwriter”) in connection with the issuance and delivery of the Bonds. Stradling Yocca Carlson & Rauth LLP, Newport Beach, California is serving as Underwriter’s Counsel.

Payment of the fees of Bond Counsel, the Municipal Advisor, the Underwriter and counsel to the Underwriter is contingent upon issuance of the Bonds. For information concerning circumstances in which certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds, see the caption “FINANCIAL INTERESTS.”

Continuing Disclosure

The District will enter into a Continuing Disclosure Agreement with Willdan Financial Services, and will covenant therein for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District and Improvement Area No. 11 by not later than March 1 following the end of its Fiscal Year (which currently ends June 30), commencing with the report for the 2024-25 Fiscal Year (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The first Annual Report will be due March 1, 2026. The Annual Report and notices of certain listed events (the “Listed Events”) will be filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board available on the Internet at <http://emma.msrb.org> (“EMMA”). The specific nature of the information to be contained in each Annual Report and any notices of the Listed Events is set forth in Appendix E — “FORM OF CONTINUING DISCLOSURE AGREEMENT.” These covenants will be made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5), as amended (the “Rule”). See “CONTINUING DISCLOSURE” herein.

Issuance of Parity Bonds

The Indenture authorizes the District to issue additional bonds on behalf of Improvement Area No. 11 payable from Special Taxes on a parity with the Bonds (“Parity Bonds”) for the purpose of either financing additional authorized facilities of the District or refunding all or a portion of the Bonds or Parity Bonds, subject to specific conditions described in the Indenture. Such additional bonds will be payable from Special Taxes within Improvement Area No. 11 on a parity basis with the lien thereon of the Bonds. Upon issuance of the Bonds, there will remain \$19,669,233.05* authorized but unissued bonded indebtedness for Improvement Area No. 11. See the caption “SOURCES OF PAYMENTS FOR THE BONDS—Issuance of Parity Bonds.”

Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes may also be levied in the future on the property within Improvement Area No. 11, which could adversely affect the willingness of the landowners to pay the Special Taxes when due. See the captions “IMPROVEMENT AREA NO. 11 — Direct and Overlapping Debt” and “SPECIAL RISK FACTORS — Direct and Overlapping Indebtedness.”

** Preliminary, subject to change.*

Bond Owners' Risks

Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the caption "SPECIAL RISK FACTORS" for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The purchase of the Bonds involves risks, and the Bonds may not be appropriate investments for some types of investors.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the Constitution and laws of the State, as well as the proceedings of the City Council, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture. Capitalized terms not otherwise defined in this Official Statement have the meanings set forth in Appendix D.

FINANCING PLAN

Purpose of Issue and the Financing Plan

Financing of Facilities. The Bonds are being issued, in part, for the purpose of financing certain authorized facilities benefiting the District. Pursuant to the Act, the District may issue bonds for the purpose of financing authorized public facilities. The District expects to deposit a portion of the proceeds of the Bonds into the Improvement Fund established under the Indenture to finance such public facilities. Monies deposited into the Improvement Fund are expected to be used by the City, the Irvine Unified School District ("IUSD"), pursuant to a Joint Community Facilities Agreement between the City and IUSD, and the Master Developer to, separately, construct such public facilities benefiting the Great Park (as defined under "THE DISTRICT").

Public Facilities Expected to be Constructed by the City. The City expects to use a portion of the funds deposited into the Improvement Fund, along with Special Taxes previously collected from Improvement Area No. 11, special taxes previously collected from other improvement areas within the District and bond proceeds of bonds secured by special taxes on property in other improvement areas of the District and in the New CFD (as defined below), to build improvements at the publicly-owned Great Park as described in the Framework Agreement (as defined below). The initial phase of the Framework Agreement focuses on 300 acres and is expected to include the Heart of the Park area, botanical gardens, veterans memorial park, an amphitheater, and sports park enhancements. The Heart of the Park features lakes, the Great Meadow, multi-modal trails and the Full Circle Farm. The Cultural Terrace is currently designed in a campus-like environment, bringing together museums and other cultural institutions, as well as outdoor festival space. Enhancements to the sports park focus on bringing adjacent food and beverage facilities. It is currently contemplated that Hangar 244, in the center of the existing sports park, will serve as the focal point for these amenities. Finally, the City is designing an approximately 10,000 seat amphitheater to be located in the Great Park. On May 23, 2023, the City held a groundbreaking ceremony to celebrate the commencement of the construction of the facilities set forth in the Framework Agreement. As of September 2025, the site work was underway, including demolition and grading on both the Cultural Terrace West and Heart of the Park sites, with backbone construction anticipated to begin in the first quarter of 2026. As of September 2025, grading was also underway for sections of the Lower Bosque, with backbone installation expected to start in 2026. The Lower Bosque will support trail connectivity, shade improvements, and additional athletic facilities, including a pickleball facility.

Public Facilities Expected to be Constructed by IUSD. The City expects that IUSD will use a portion of the funds deposited into the Improvement Fund to finance the construction of certain improvements, specifically construction of 14 new classrooms at Beacon Park School, 12 new classrooms at Solis Park School, and potentially 10 new classrooms at Portola High School, all of which are located in close proximity to Improvement Area No. 11.

Public Facilities Expected to be Constructed by the Master Developer. The City expects to use the remaining portion of the funds deposited into the Improvement Fund to pay the acquisition costs owed or to be owed to the Master Developer for the construction of public infrastructure, including sewer, water, storm drain, utilities, arterial streets, and school facilities and fees needed for the Great Park and the Great Park Neighborhoods, as well as reimbursement of capital fees, including Ordinance 03-20 Fees, as defined in the Framework Agreement. The Master Developer has built infrastructure and paid fees necessary for the development of the Great Park and the Great Park Neighborhoods in phases as such improvements and fees are needed for the phases of residential and non-residential development. Proceeds of prior special tax bonds issued by the District have partially reimbursed the Master Developer for improvements and fees completed to date.

Estimated Sources and Uses of Funds

The following table sets forth the expected sources and uses of Bond proceeds.

Sources of Funds

Principal Amount of Bonds	\$ _____
Plus Net Original Issue Premium	_____
Total Sources	<u><u>\$ _____</u></u>

Uses of Funds:

Costs of Issuance ⁽¹⁾	\$ _____
Interest Account of Bond Fund ⁽²⁾	_____
Improvement Fund	_____
Reserve Account of the Special Tax Fund ⁽³⁾	_____
Total Uses	<u><u>\$ _____</u></u>

⁽¹⁾ To pay costs of issuance of the Bonds, including legal fees, underwriter's discount, printing costs, Special Tax Consultant, and Trustee fees and the premiums for the Insurance Policy and the Reserve Policy.

⁽²⁾ To pay a portion of the interest due on the Bonds on March 1, 2027 and September 1, 2027.

⁽³⁾ Represents an initial deposit to the Reserve Account equal to 25% of the Reserve Requirement.

THE BONDS

General Provisions

The Bonds will be dated their date of delivery, and will be issued in the aggregate Principal Amounts and Maturity Values set forth on the inside front cover hereof. The Current Interest Bonds will bear interest from their dated date at the rates per annum set forth on the inside front cover hereof, payable semiannually on each Interest Payment Date, and will mature in the amounts and on the dates set forth on the inside front cover hereof. Capital Appreciation Bonds will not bear interest but will accrete interest, compounded on each March 1 and September 1, commencing March 1, 2026, and are payable only upon maturity or the redemption thereof. The Bonds will be issued in fully registered form in denominations of \$5,000 each in Principal Amount (in the case of Current Interest Bonds) or Maturity Value (in the case of Capital Appreciation Bonds), or any integral multiple thereof.

Interest on the Current Interest Bonds will be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such date of authentication is an Interest Payment Date in which event interest will be payable from such date of authentication, (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest will be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond, in which event interest will be payable from the dated date of such Bond; provided, however, that if at the time of authentication of such Bond, interest is in default, interest on that Bond will be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on that Bond, interest on that Bond will be payable from its dated date. Interest on any Current Interest Bond will be paid to the person whose name appears in the Bond Register as the Owner of such Bond as of the close of business on the Record Date. Such interest will be paid by check of the Trustee mailed on the applicable Interest Payment Date by first class mail, postage prepaid, to such Bondowner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in Principal Amount of the Current Interest Bonds, payment will be made on the Interest Payment Date by wire transfer in immediately available funds to an account designated by such Owner.

Interest on the Capital Appreciation Bonds will be paid only upon maturity or the redemption thereof.

The Bonds will be payable both as to principal and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America. The Principal Amount, Accreted Value or Maturity Value of the Bonds and any premiums due upon the redemption thereof will be payable upon presentation and surrender thereof at the Principal Office of the Trustee, or at the designated office of any successor Trustee.

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of \$5,000 and any integral multiple thereof. So long as DTC is the securities depository all payments of principal and interest on the Bonds will be made to DTC and will be paid to the Beneficial Owners in accordance with DTC's procedures and the procedures of DTC's Participants. See APPENDIX F — "BOOK-ENTRY-ONLY SYSTEM."

Redemption*

Optional Redemption of Current Interest Bonds. The Current Interest Bonds maturing on or after September 1, 2036 may be redeemed, at the option of the District from any source of funds on any date on or after September 1, 2035, in whole, or in part from such maturities as are selected by the District and by lot within a maturity, at a redemption price equal to the Principal Amount to be redeemed, together with accrued interest to the date of redemption, without premium.

Optional Redemption of Capital Appreciation Bonds. The Capital Appreciation Bonds may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, on September 1, 2035 or on any Interest Payment Date thereafter, in whole, or in part from such maturities as are selected by the District and by lot within a maturity, at a redemption price equal to the Accreted Value of such Capital Appreciation Bonds as of the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, 20__ will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Principal Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. Such Term Bonds so called for redemption will be selected by the Trustee by lot and redeemed at a redemption price for each redeemed Term Bond equal to the Principal Amount thereof, plus accrued interest to the redemption date, without premium, as follows:

BONDS MATURING SEPTEMBER 1, 20__

<i>Redemption Dates (September 1)</i>	<i>Principal Amount</i>
	\$

(maturity)

The Term Bonds maturing on September 1, 20__ will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Principal Account, on September 1, 20__ and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. Such Term Bonds so called for redemption will be selected by the Trustee by lot and redeemed at a redemption price for each such redeemed Term Bond equal to the Principal Amount thereof, plus accrued interest to the redemption date, without premium, as follows:

BONDS MATURING SEPTEMBER 1, 20__

<i>Redemption Dates (September 1)</i>	<i>Principal Amount</i>
	\$

(maturity)

* Preliminary, subject to change.

If the District purchases any Term Bonds and delivers them to the Trustee at least 45 days prior to an applicable redemption date, the Principal Amount of such Term Bonds so purchased will be credited to reduce the Sinking Fund Payment due on such redemption date for the applicable maturity of the Term Bonds. All Term Bonds purchased pursuant as set forth above shall be cancelled pursuant to the Indenture.

In the event of a partial optional redemption or extraordinary mandatory redemption of Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds, as described above, will be reduced, as nearly as practicable, on a pro rata basis.

Extraordinary Redemption. The Bonds are subject to extraordinary redemption as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date, and will be redeemed by the Trustee, from the prepayment of Special Taxes deposited to the Redemption Account pursuant to the Indenture at the following redemption prices, expressed as a percentage of the Principal Amount to be redeemed or applicable Accreted Value as of such date, together with accrued interest to the redemption date, if applicable:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
Any Interest Payment Date through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

Prepayments and amounts released from the Reserve Account in connection with Prepayments will be allocated to the payment at maturity and redemption of Bonds and any Parity Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds and such amounts will be applied to redeem Bonds and Parity Bonds as nearly as practicable on a pro rata basis among maturities in increments of \$5,000.

See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a special mandatory redemption from prepayment of Special Taxes or proceeds of bonds of other community facilities districts.

Since the formation of Improvement Area No. 11, no Special Taxes have been prepaid.

Notice of Redemption. So long as the Bonds are held in book-entry form, notice of redemption will be sent by the Trustee to DTC and not to the Beneficial Owners of the Bonds under the DTC book-entry only system. Neither the District nor the Trustee is responsible for notifying the Beneficial Owners, who are to be notified in accordance with the procedures in effect for the DTC book-entry system. See “—Book-Entry Only System” and Appendix F — “BOOK-ENTRY ONLY SYSTEM.”

The Trustee will give notice, in the name of the District, of the redemption of Bonds; provided, however, that a notice of optional redemption may be conditioned on there being on deposit on the redemption date sufficient money to pay the redemption price of the Bonds to be redeemed. Such notice of redemption will: (a) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds selected for redemption, except that where all of the Bonds are subject to redemption, or all of the Bonds of one maturity are to be redeemed, the bond numbers of such issue need not be specified; (b) state the date fixed for redemption and surrender of the Bonds to be redeemed; (c) state the redemption price; (d) state the place or places where the Bonds are to be redeemed; (e) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed; (f) state the date of issue of the Bonds as originally issued; (g) state the rate of interest borne by each Bond being redeemed; and (h) state any other descriptive information needed to identify accurately the Bonds being redeemed as specified by the Trustee. Such notice will further state that on the date fixed for redemption, there will become due and payable on each Bond, or

portion thereof called for redemption, the Principal Amount thereof, together with any premium, and interest accrued or accreted to the redemption date, and that from and after such date, interest thereon will cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Trustee will send a copy of such notice to the respective Owners thereof at their addresses appearing on the Bond Register, and to the original purchaser of the Bonds, as applicable. The actual receipt by the Owner of any Bond of notice of such redemption is not a condition precedent to redemption, and neither the failure to receive nor any defect in such notice will affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as provided in the Indenture will be conclusive as against all parties and the Owner is not entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice will be given by the Trustee as set out below, provided that no defect in said further notice nor any failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption will be sent not later than the date that notice of redemption is given to the Owners pursuant to the Indenture by first class mail or facsimile to the Depository and to any other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds as determined by the Trustee and to one or more of the national information services that the Trustee determines are in the business of disseminating notice of redemption of obligations such as the Bonds.

Upon the payment of the redemption price of any Bonds being redeemed, each check or other transfer of funds issued for such purpose will to the extent practicable bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption is conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if the District determines that such moneys will not be so received on or prior to the redemption date, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. If any condition stated in the redemption notice for an optional redemption shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Trustee shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Selection of Bonds for Redemption. If less than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than \$5,000 to be redeemed will be in the Principal Amount of \$5,000 or an integral multiple thereof, in the case of Current Interest Bonds, or the Maturity Value of \$5,000 or an integral multiple thereof, in the case of Capital Appreciation Bonds. In selecting portions of such Bonds for redemption, the Trustee will treat such Bonds, as applicable, as representing that number of Bonds of \$5,000 denominations which is obtained by dividing the Principal Amount or Maturity Value of such Bonds to be redeemed in part by \$5,000. The procedure for the selection of Parity Bonds for redemption may be modified as set forth in the Supplemental Indenture for such Parity Bonds. The Trustee will promptly notify the District in writing of the Bonds, or portions thereof, selected for redemption.

Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the District will execute and the Trustee will authenticate and deliver to the Bondowner, at the expense of the District, a new Bond or Bonds of authorized denominations equal in aggregate Principal Amount or Maturity Value to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity.

Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in the Indenture, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption: (a) the Bonds, or portions thereof, designated for redemption will, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Indenture, anything in the Indenture or in the Bonds to the contrary notwithstanding; (b) upon presentation and surrender thereof at the office of the Trustee, the redemption price of such Bonds will be paid to the Owners thereof; (c) as of the redemption date the Bonds, or portions thereof so designated for redemption will be deemed to be no longer Outstanding and such Bonds, or portions thereof, will cease to bear further interest; and (d) as of the date fixed for redemption no Owner of any of the Bonds, or portions thereof so designated for redemption will be entitled to any of the benefits of the Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

Registration, Transfer and Exchange

Registration. The Trustee will keep sufficient books for the registration and transfer of the Bonds. The ownership of the Bonds will be established by the Bond registration books held by the Trustee.

Transfer or Exchange. Subject to the limitations set forth in the following paragraph, the registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds may be exchanged at the office of the Trustee for a like aggregate Principal Amount or Maturity Value of Bonds for other authorized denominations of the same maturity and issue. The Trustee may not collect from the Owner any charge for any new Bond issued upon any exchange or transfer, but will require the Bondowner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange will be paid by the District. Whenever any Bonds are surrendered for registration of transfer or exchange, the District will execute and the Trustee will authenticate and deliver a new Bond or Bonds, as applicable, of the same issue and maturity, for a like aggregate Principal Amount or Maturity Value; provided that the Trustee is not required to register transfers or make exchanges of (i) Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed; or (ii) any Bonds chosen for redemption.

Book-Entry Only System

While the Bonds are subject to the book-entry system, the principal, interest and any redemption premium with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds, as described in Appendix F — “DTC AND THE BOOK-ENTRY-ONLY SYSTEM” herein. So long as Cede & Co. is the registered owner of the Bonds, references herein to the Owners of the Bonds shall mean Cede & Co. and *not* the Beneficial Owners of the Bonds. **The District gives no assurance that DTC or the DTC Participants will distribute payments or notices to Beneficial Owners.**

Debt Service Schedule

The following table presents the annual debt service on the Bonds (including sinking fund redemptions), assuming that there are no optional or special mandatory redemptions. See the caption “— Redemption” above.

TABLE 1
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
2025 SPECIAL TAX BONDS
ANNUALIZED DEBT SERVICE

<i>Year Ending September 1</i>	<i>Principal</i>	<i>Interest</i>	<i>Compounded Interest</i>	<i>Total Debt Service</i>
2026	\$	\$	\$	\$
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				
2052				
2053				
2054				
2055				
2056				
2057				
2058				
2059				
2060				
Total	\$ _____	\$ _____		\$ _____

⁽¹⁾ A portion of the interest due on March 1, 2027 and September 1, 2027 will be paid from Bond proceeds deposited to the Interest Account of the Bond Fund.

Sources: The Underwriter.

Debt Service Coverage for the Bonds

The District is authorized to levy Special Taxes within Improvement Area No. 11 to finance and refinance certain public facilities and certain services, which services are used exclusively to fund the operations, maintenance and services associated with the Great Park Neighborhoods (as defined under the “THE DISTRICT”) and the surrounding recreational areas. Special Taxes will be made available in each Bond Year to pay the costs of authorized services only after amounts sufficient to pay debt service on the Bonds and any Parity Bonds in such Bond Year, to replenish the Reserve Account of the Special Tax Fund (or to repay the Bond Insurer for a draw on the Reserve Policy), if necessary, and to provide for the payment of Administrative Expenses have been set aside therefrom. As shown in the coverage table set forth below, because the Rate and Method states that Special Taxes are to be levied at 100% of the Maximum Annual Special Tax and collected Special Taxes are first used to make the payments of debt service on the Bonds and any Parity Bonds, there is expected to be more than sufficient Special Taxes to make the required debt service payments on Bonds when due if the Special Taxes are only levied against Developed Property going forward. The amount of Special Taxes levied in excess of the amount required to pay debt service on the Bonds and any Parity Bonds is intended to provide amounts to pay Administrative Expenses, the costs of authorized services and the costs of authorized facilities, which authorized services and facilities are referred to herein as the “Guaranteed Amount”. The “Guaranteed Amount” referred to in the Rate and Method is the amount of the Special Taxes that will be available to pay the costs of authorized services and facilities. See the captions “SOURCES OF PAYMENT FOR THE BONDS – Rate and Method of Apportionment” and “IMPROVEMENT AREA NO. 11.”

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TABLE 2
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
DEBT SERVICE COVERAGE FROM DEVELOPED PROPERTY

<i>Fiscal Year⁽¹⁾</i>	<i>Maximum Special Taxes⁽²⁾</i>	<i>Debt Service^{(3)*}</i>	<i>Debt Service Coverage^{(4)*}</i>
2025-26	\$ 8,123,739	\$ 4,830,675	168.16%
2026-27 ⁽⁵⁾	8,286,214	6,545,553	126.59
2027-28	8,451,938	6,663,000	126.84
2028-29	8,620,977	6,783,000	127.09
2029-30	8,793,397	6,907,000	127.31
2030-31	8,969,265	7,034,500	127.50
2031-32	9,148,650	7,160,000	127.77
2032-33	9,331,623	7,293,250	127.94
2033-34	9,518,255	7,423,500	128.21
2034-35	9,708,620	7,565,500	128.32
2035-36	9,902,793	7,718,250	128.30
2036-37	10,100,849	7,870,750	128.33
2037-38	10,302,866	8,032,500	128.26
2038-39	10,508,923	8,192,500	128.27
2039-40	10,719,102	8,355,250	128.29
2040-41	10,933,484	8,520,000	128.32
2041-42	11,152,153	8,692,500	128.29
2042-43	11,375,196	8,867,500	128.27
2043-44	11,602,700	9,044,500	128.28
2044-45	11,834,754	9,225,500	128.28
2045-46	12,071,449	9,409,500	128.29
2046-47	12,312,878	9,595,500	128.31
2047-48	12,559,136	9,787,500	128.31
2048-49	12,810,319	9,984,250	128.30
2049-50	13,066,525	10,184,500	128.29
2050-51	13,327,855	10,387,000	128.31
2051-52	13,594,413	10,595,500	128.30
2052-53	13,866,301	10,808,500	128.29
2053-54	14,143,627	11,024,500	128.29
2054-55	14,426,499	11,247,000	128.26
2055-56	14,715,029	11,469,250	128.29
2056-57	15,009,330	11,699,750	128.28
2057-58	15,309,517	11,931,500	128.31
2058-59	15,615,707	12,172,750	128.28
2059-60	15,928,021	12,416,250	128.26

* Preliminary, subject to change.

(1) Special Taxes levied in the Fiscal Year ending June 30, which are levied to pay debt service in the Bond Year ending September 1.

(2) Reflects levy of Maximum Special Tax against Developed Property only.

(3) Represents payments of principal and interest due March 1 and September 1 in the calendar year.

(4) Equal to Maximum Special Taxes column divided by the Debt Service column.

(5) Debt service shown for Fiscal Year 2026-27 is net of the amount that has been deposited to the Capitalized Interest Fund to pay debt service in such Fiscal Year.

Sources: Willdan Financial Services and the Underwriter.

SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds and any Parity Bonds are limited obligations of the District payable solely from Special Taxes (defined below) collected in Improvement Area No. 11 and amounts deposited by the District in the Special Tax Fund. The District's limited obligation to pay the Principal Amount, Accreted Value and Maturity Value of, premium, if any, and interest on the Bonds and any Parity Bonds from Special Taxes collected in Improvement Area No. 11 and amounts in the Special Tax Fund is absolute and unconditional.

The Bonds and any Parity Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the Special Taxes and other amounts in the Special Tax Fund which are, under the terms of the Indenture and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative body of the District or the City Council nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

The "Special Taxes" are levied and collected according to the Rate and Method established for Improvement Area No. 11.

Under both the Act and the Rate and Method, the District may levy a One-Time Special Tax in order to preserve debt service coverage on the Bonds and any Parity Bonds in the event that expected annual Special Taxes are reduced as a result of changes in development within Improvement Area No. 11 (the "One-Time Special Tax"). Because development within Improvement Area No. 11 is complete, no One-Time Special Tax will ever be levied and collected.

A property owner within Improvement Area No. 11 is entitled to prepay all or a portion of their Special Taxes. There has never been a prepayment of Special Taxes within Improvement Area No. 11. However, see the caption "SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds" for a discussion of the potential for a lower than expected yield on the Bonds as a result of a special mandatory redemption from prepayment of Special Taxes or proceeds of bonds of other community facilities districts.

See "—Rate and Method of Apportionment" below and Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES," for a further discussion of each Rate and Method.

Except for the foregoing, no other taxes are pledged to the payment of the Bonds and any Parity Bonds. The Bonds and Parity Bonds are not general or special obligations of the City nor general obligations of the District, but are limited obligations of the District payable solely from amounts deposited by the District in certain funds established under the Indenture, as more fully described herein. The District's limited obligation to pay the Principal Amount, Accreted Value and Maturity Value of, premium, if any, and interest on the Bonds and any Parity Bonds from amounts in certain funds established under the Indenture is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds or any Parity Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The Principal Amount, Accreted Value and Maturity Value of and interest on the Bonds and any Parity Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction.

The District contains other improvement areas besides Improvement Area No. 11. None of the special taxes collected within such other improvement areas are pledged to the Bonds.

The Special Taxes are collected in the manner and at the same time as *ad valorem* property taxes are collected and are subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* property taxes; provided, however, that the District may directly bill the Special Tax, and may collect Special Taxes at a different time or in a different manner as determined by the City Council. For so long as the District participates in the County's Teeter Plan, its receipt of the Special Taxes will not be subject to delinquency. See the caption "— Special Taxes are Included in the Teeter Plan."

Rate and Method of Apportionment

The Rate and Method applicable to Improvement Area No. 11 is contained in Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES." The meaning of the defined terms used in this section are as set forth in Appendix A.

Annual Special Tax. The District is legally authorized and has covenanted in the Indenture to cause the annual levy of the Special Taxes within Improvement Area No. 11 in an amount determined according to a methodology, i.e., the Rate and Method, which the qualified electors of Improvement Area No. 11 approved. The Rate and Method apportions the total amount of Special Taxes to be collected among the taxable parcels in Improvement Area No. 11 as more particularly described herein.

The Rate and Method classifies all Taxable Property, i.e., all Assessor's Parcels within the boundaries of Improvement Area No. 11 which are not exempt from the Special Tax pursuant to applicable law or the Rate and Method, into five categories: Developed Property, Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property and Taxable Public Property. The amount of Special Taxes that the District may levy annually within Improvement Area No. 11 is limited by the Maximum Annual Special Taxes set forth in the Rate and Method.

The term "Developed Property" is defined under the Rate and Method to mean, for each Fiscal Year, all Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, for which a building permit for construction was issued after January 1, 2019 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Annual Special Taxes are being levied. Developed Property is further classified into certain land use categories (each a "Land Use Class"), consisting of categories of Detached Residential Property (with such categories based on the square footage of residential floor area), categories of Attached Residential Property (with such categories based on the square footage of residential floor area), categories of Affordable Units, which are not subject to the Annual Special Tax, and categories of Non-Residential Property (with such categories based on the primary use of such property, as reflected in the building permit therefor). The Maximum Annual Special Tax for Developed Property for each Land Use Class is set forth in the Rate and Method (attached as Appendix A hereto). The Rate and Method contains a Maximum Annual Special Tax for each Land Use Class of Developed Property, which amount increases on July 1 of each Fiscal Year through the Fiscal Year in which the fortieth anniversary of the date on which the Bonds were sold, by an amount equal to 2% of the amount in effect for the previous Fiscal Year; a portion of such Maximum Annual Special Tax then terminates and the remaining Maximum Annual Special Tax increases by an amount equal to 3% of the amount in effect for the previous Fiscal Year. In instances where an assessor's parcel contains more than one Land Use Class, the Maximum Annual Special Tax on such parcel will be the sum of the Maximum Annual Special Taxes for all Land Use Classes located on such parcel.

The term "Final Mapped Property" is defined under the Rate and Method to mean, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, located in a Final Subdivision as of January 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, but no earlier than January 1, 2019. There are two parcels of Final Mapped Property within Improvement Area No. 11, both owned by the Master Developer. These two parcels of Final Mapped Property are in the process of being transferred to the Master HOA and are expected to be categorized as Property Owner Association Property under the Rate and Method going forward.

The term “Undeveloped Property” is defined under the Rate and Method to mean, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Property Owner Association Property, or Taxable Public Property. There is no Undeveloped Property within Improvement Area No. 11.

Under the Rate and Method, the Intermediate Maximum Annual Special Tax for Final Mapped Property and Undeveloped Property is a certain amount per acre for each Fiscal Year, which amount increases on July 1 of each Fiscal Year, by an amount equal to 2% of the Intermediate Maximum Annual Special Tax for the previous Fiscal Year. Under the Rate and Method, the Maximum Annual Special Tax for Final Mapped Property, Undeveloped Property, Taxable Public Property and Taxable Property Owner Association Property is a certain amount per acre, which amount increases, on July 1 of each Fiscal Year, by an amount equal to 2% of the Maximum Annual Special Tax for the previous Fiscal Year. For the Fiscal Year 2025-26 Special Tax levy, Improvement Area No. 11 contains two parcels that will be categorized as Final Mapped Property (though they are in the process of being transferred to the Master HOA and are expected to be categorized as Property Owner Association Property under the Rate and Method going forward). Such Final Mapped Property is Taxable Property under the Rate and Method even though the District has elected not to tax such Final Mapped Property in the past, and the sizing of the Bonds does not assume that such parcels will be levied against in the future. As shown in Table 2, the Special Taxes collected from the Developed Property in Improvement Area No. 11 are expected to be sufficient to make the required debt services payments on the Bonds. In the case of a delinquency, the District also has the ability to levy Special Taxes on any Final Mapped Property.

The term “Developed Property Annual Special Tax Requirement” is defined under the Rate and Method to mean, for any Fiscal Year, the Maximum Annual Special Tax on Developed Property.

The term “Final Mapped Property/Undeveloped Property Annual Special Tax Requirement” is defined under the Rate and Method to mean that amount of Annual Special Taxes required, if any, in any Fiscal Year to (i) pay debt service on any Outstanding Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for Improvement Area No. 11’s bonded debt, (iii) pay for Administrative Expenses, (iv) pay for reasonably anticipated Annual Special Tax delinquencies based on the delinquency rate for the Annual Special Tax levied in the previous Fiscal Year, and (v) pay the Guaranteed Amount, less (vi) an amount equal to the Developed Property Annual Special Tax Requirement, less (vii) a credit for funds available to reduce the Annual Special Tax levy, as determined by the CFD Administrator, so long as the amount required is not less than zero.

The term “Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement” is defined under the Rate and Method to mean, so long as the amount required is not less than zero, that amount of Annual Special Taxes required, if any, in any Fiscal Year to (i) pay debt service on the Outstanding Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for Improvement Area No. 11’s bonded debt, (iii) pay for Administrative Expenses, and (iv) pay for reasonably anticipated Annual Special Tax delinquencies based on the delinquency rate for the Annual Special Tax levied in the previous Fiscal Year, less (v) an amount equal to the Developed Property Annual Special Tax Requirement, less (vi) the amount of the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement levied on Final Mapped Property and Undeveloped Property in such Fiscal Year, less (vii) a credit for funds available to reduce the Annual Special Tax levy, as determined by the CFD Administrator.

The term “Guaranteed Amount” refers to a portion of the Annual Special Taxes to be used to pay for various authorized services. Such portion is to be remitted to the City only after the payment, or the provision for payment, of annual debt service on the Bonds and any Parity Bonds, any necessary replenishment of the applicable Reserve account and annual Administrative Expenses.

Under the Rate and Method, in each Fiscal Year, the City Council will levy the Annual Special Tax as follows:

First: The Annual Special Tax shall be levied on each Assessor's Parcel of Developed Property in an amount equal to 100% of the applicable Maximum Annual Special Tax for Developed Property.

Second: Determine the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement and Proportionately levy the Annual Special Tax on each Assessor's Parcel of Final Mapped Property until the amount levied on Final Mapped Property is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement, or (ii) 100% of the Intermediate Maximum Annual Special Tax for Final Mapped Property.

Third: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement after the first two steps have been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property until the amount levied on Undeveloped Property is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement less the amount levied pursuant to the second step above, or (ii) 100% of the Intermediate Maximum Annual Special Tax for Undeveloped Property.

Fourth: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement after the first three steps have been completed, then the Annual Special Tax levy on each Assessor's Parcel of Final Mapped Property and Undeveloped Property shall be increased in equal percentages from the Intermediate Maximum Annual Special Tax up to 100% of the Maximum Annual Special Tax for Final Mapped Property and Undeveloped Property until the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement is satisfied.

Fifth: Determine the Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement and Proportionately levy the Annual Special Tax on each Assessor's Parcel of Taxable Property Owner Association Property until the amount levied on Taxable Property Owner Association Property is equal to the lesser of (i) the Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement or (ii) 100% of the Maximum Annual Special Tax for Taxable Property Owner Association Property.

Sixth: If additional monies are needed to satisfy the Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement after the fifth step has been completed, then the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property until the amount levied on Taxable Public Property is equal to the lesser of (i) the Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement less the amount levied pursuant to the fifth step above, or (ii) 100% of the Maximum Annual Special Tax for Taxable Public Property.

The Special Tax in Improvement Area No. 11 was established to pay for both authorized facilities and authorized services, with a portion of such Special Tax intended for facilities terminating at the time described in the Rate and Method and the portion of such Special Tax intended for services being levied in perpetuity. The portion of Improvement Area No. 11's Special Tax that will be terminated as set forth in the Rate and Method may be prepaid under certain circumstances, and is defined in the Rate and Method as the "Prepayable Portion" of such Special Tax. The obligation of an Assessor's Parcel to pay the Prepayable Portion of a Special Tax may be fully or partially prepaid and permanently satisfied as described in the applicable Rate and Method, provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a building permit for construction has been issued, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment.

Value Limitations. The Rate and Method provides a Value Limitation for Residential Property and Non-Residential Property. In effect, the Value Limitations specify that the Maximum Annual Special Taxes for a Land Use Class, together with Overlapping Liens, cannot exceed the amount set forth in the Rate and Method. The amount so set forth for Residential Property is a function of the expected base sales price of the units and the amount so set forth for Non-Residential Property is a function of the appraised value per square foot or Acre of such property. The Rate and Method requires that the Value Limitation be tested (once only), prior to the issuance of the first series of non-subordinated bonded debt and, if the Value Limitation is not met for a Land Use Class, that the Maximum Annual Special Taxes for such Land Use Class be reduced, permanently, to a level that will cause the Value Limitation for that Land Use Class to be met. A third-party consultant was engaged by the City in accordance with the Rate and Method. Such consultant calculated the Value Limitation for each Land Use Class and, based on such calculations, the City determined that a reduction in the Maximum Annual Special Taxes for each of the Land Use Classes in Improvement Area No. 11 was required. In accordance with the Rate and Method, the City and the District executed a Certificate to Amend Annual Special Tax, which, pursuant to the Rate and Method, implements the reduction in the Maximum Annual Special Taxes for such Land Use Classes. A copy of the Certificate to Amend Annual Special Tax for Improvement Area No. 11 is included in Appendix A. The Annual Special Tax amounts set forth in the tables herein reflect such reductions.

Table 3 below sets forth the Special Taxes that will be levied on all taxable property within Improvement Area No. 11 in Fiscal Year 2025-26. Special Taxes within Improvement Area No. 11 were first levied in Fiscal Year 2020-21. Special Taxes within Improvement Area No. 11 are expected to be levied at the Maximum Annual Special Tax rates and only on Developed Property. The Special Taxes in Improvement Area No. 11 may be levied into perpetuity; however, commencing in Fiscal Year 2066-67, 84.59% of the Maximum Annual Special Tax on Residential Property and 86.58% of the Maximum Annual Special Tax on Non-Residential Property shall terminate and no longer be levied or collected. See Section J of the Rate and Method applicable to Improvement Area No. 11 in Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES.”

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TABLE 3
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
MAXIMUM SPECIAL TAX RATES FOR FISCAL YEAR 2025-26

<i>Land Use Type⁽¹⁾</i>	<i>Land Use Class</i>	<i>Residential Floor Area (sq. ft.)</i>	<i>Maximum Special Tax Rates Fiscal Year 2025-26 ⁽²⁾</i>	<i>Special Tax Rates Fiscal Year 2025-26 ⁽²⁾</i>	<i>Percent of Maximum Special Tax Rate</i>	<i>Total Units</i>	<i>Special Taxes from Total Units</i>	<i>Aggregate Special Taxes Fiscal Year 2025-26 ⁽²⁾</i>	<i>Percent of Total Special Taxes Fiscal Year 2025-26</i>
Detached Residential Property	11	3,200 - 3,449	\$13,279	\$13,279	100%	19	\$ 252,299	\$ 252,299	3.11%
Detached Residential Property	12	2,950 - 3,199	12,715	12,715	100	36	457,754	457,754	5.63
Detached Residential Property	13	2,700 - 2,949	11,824	11,824	100	56	662,143	662,143	8.15
Detached Residential Property	14	2,450 - 2,699	10,984	10,984	100	152	1,669,492	1,669,492	20.55
Detached Residential Property	15	2,200 - 2,449	9,399	9,399	100	108	1,015,105	1,015,105	12.50
Detached Residential Property	16	1,950 - 2,199	8,998	8,998	100	51	458,897	458,897	5.65
Detached Residential Property	18	< 1,700	7,838	7,838	100	9	70,543	70,543	0.87
Attached Residential Property	19	≥ 2,600	9,379	9,379	100	51	478,327	478,327	5.89
Attached Residential Property	20	2,400 - 2,599	7,864	7,864	100	39	306,678	306,678	3.78
Attached Residential Property	21	2,200 - 2,399	7,864	7,864	100	44	345,996	345,996	4.26
Attached Residential Property	22	2,000 - 2,199	7,561	7,561	100	152	1,149,288	1,149,288	14.15
Attached Residential Property	23	1,800 - 1,999	7,394	7,394	100	48	354,936	354,936	4.37
Attached Residential Property	24	1,600 - 1,799	6,947	6,947	100	87	604,360	604,360	7.44
Attached Residential Property	25	1,400 - 1,599	6,411	6,411	100	7	44,875	44,875	0.55
Attached Residential Property	26	1,200 - 1,399	5,605	5,605	100	18	100,895	100,895	1.24
Attached Residential Property	27	1,000 - 1,199	5,009	5,009	100	11	55,098	55,098	0.68
Attached Residential Property	28	800 - 999	4,411	4,411	100	22	97,052	97,052	1.19
Final Mapped Property	37	N/A	87,765/Acre	0	0	0	0	0	0.00
Totals						910	\$ 8,123,738	\$ 8,123,738	100.00%

⁽¹⁾ Excludes unused land use classes.

⁽²⁾ Reflects special tax levy submitted to Orange County Tax Collector (not including rounding factors).

Note: Totals may not tie due to rounding.

Source: Willdan Financial Services.

Special Tax Fund

The portion of any prepayment of Special Taxes received by the District that is to be applied to the redemption of Bonds and any Parity Bonds will be identified as such by the District and transferred to the Trustee for deposit in the Redemption Account. Except for the foregoing portion of any prepayment of Special Taxes to be deposited to the Redemption Account, the District will, as soon as practicable transfer the Special Taxes received by the District to the Trustee for deposit in the Special Tax Fund to be held by the Trustee in trust for the Owners of the Bonds and any Parity Bonds. The Trustee will transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the Indenture, in the following order of priority, to:

1. the Interest Account of the Special Tax Fund the amount necessary to cause the balance on deposit therein to be equal to the interest on the Bonds and any Parity Bonds payable on the next succeeding Interest Payment Date;
2. the Principal Account of the Special Tax Fund the amount necessary to cause the balance on deposit therein to be equal to the Principal Amount, Accreted Value or Maturity Value of the Bonds and any Parity Bonds and/or the Sinking Fund Payment payable on the next succeeding September 1; provided that not more than one-half of such amount and/or the Sinking Fund Payment payable on the next succeeding September 1 shall be deposited in the Principal Account prior to March 1 until the balance on deposit in the Interest Account equals the interest payable on the Bonds and any Parity Bonds through September 1;
3. the Reserve Account the amounts necessary to fund and pay the amounts described under the caption “—Reserve Account” as set forth in the Indenture;
4. the Redemption Account of the Special Tax Fund;
5. the Administrative Expense Fund the amount identified in a Certificate of an Authorized Representative of the City as necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses as they come due; and
6. to the City for allocation, distribution and payment pursuant to the Amended and Restated Development Agreement (the “ARDA”), dated December 27, 2010, by and among the City, Heritage Fields El Toro, LLC, a Delaware limited liability company (the “Master Developer”), and the Irvine Redevelopment Agency, the Amended and Restated Master Implementation Agreement (the “ARMIA”), dated December 27, 2010, by and between the City and the Master Developer, the Great Park Framework Plan Implementation Agreement, dated October 11, 2022, by and between the City and the Master Developer (the “Framework Agreement”), and the Amended and Restated Acquisition Agreement, dated for reference purposes as of October 11, 2022, by and between the City and the Master Developer (the “ARAA,” and with the ARDA, the ARMIA and the Framework Agreement, collectively, the “Development Documents”).

The Trustee shall notify the District within five (5) Business Days of amounts being deposited to satisfy the requirements of steps (1) through (5) above. Upon such notification, the District shall not be required to transfer any further Special Taxes (other than Prepayments) received by the District in such Bond Year to the Trustee and instead shall transfer such Special Taxes directly to the City for allocation, distribution and payment pursuant to the Development Documents.

Notwithstanding any provision contained in the Indenture to the contrary, Special Taxes transferred to the City for purposes of the Development Documents are no longer considered to be pledged to the Bonds or any Parity Bonds, and none of the Improvement Fund or the Administrative Expense Fund, nor any moneys

transferred to the City for purposes of the Development Documents, shall be construed as a trust fund held under the Indenture for the benefit of the Owners.

“Administrative Expenses” are the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys’ fees and other costs related thereto, the fees and expenses of the Trustee, any fees and related costs for credit enhancement for the Bonds or which are not otherwise paid as Costs of Issuance, any costs related to the District’s compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds, the District, and any other costs otherwise incurred by the City on behalf of the District, in order to carry out the purposes of the District, as set forth in the Resolution of Formation and any obligation of the District under the Indenture. Administrative Expenses also include the administrative costs with respect to the collection of Delinquency Proceeds.

Reserve Account

In order to secure further the payment of principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the Reserve Account and thereafter to maintain in the Reserve Account an amount equal to the Reserve Requirement. The term “Reserve Requirement” is defined in the Indenture to mean an amount equal to the lowest of (i) 5% of the original aggregate principal amount of the Bonds (plus original issue premium if in excess of 2% of the stated redemption amount at maturity), (ii) 50% of the Maximum Annual Debt Service on the Outstanding Parity Bonds, or (iii) 62.5% of Average Annual Debt Service on the Outstanding Parity Bonds. Notwithstanding the foregoing, in no event shall the Reserve Requirement exceed the initial deposit thereto except in connection with any increase associated with the issuance of Parity Bonds. The Reserve Requirement may be satisfied in whole or in part by cash, a Reserve Policy and/or Additional Reserve Policy (as such terms are defined in the Indenture), or a combination thereof. On the date of issuance of the Bonds, the District will deposit \$ _____ from proceeds of the Bonds and the Reserve Policy into the Reserve Account to satisfy the Reserve Requirement.

Moneys in the Reserve Account will be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on the Bonds and any Parity Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor and for the purpose of making any required transfer to the Rebate Fund pursuant to the Indenture upon written direction from the District. If the amounts in the Interest Account or the Principal Account are insufficient to pay the principal of, including Sinking Fund Payments, or interest on any Parity Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee will withdraw from the Reserve Account, first from the cash on deposit therein, and second from a draw on the Reserve Policy, if any, for deposit in the Interest Account or the Principal Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes.

The Bond Insurer has made a commitment to issue, simultaneously with the initial issuance of the Bonds, the Reserve Policy in the amount equal to 75% of the Reserve Requirement for deposit in the Reserve Account, effective as of the date of issuance of the Bonds. Under the terms of the Reserve Policy, the Bond Insurer will unconditionally and irrevocably guarantee to pay that portion of the scheduled payments of principal of and interest on the Bonds that becomes due for payment but shall be unpaid by reason of nonpayment by the District, to the extent set forth in the Reserve Policy and in the Indenture. The remaining 25% of the Reserve Requirement, effective as of the date of issuance of the Bonds, will be funded with cash from proceeds of the Bonds.

See Appendix D under the caption “CREATION OF FUNDS AND APPLICATION OF PROCEEDS — Reserve Account of the Special Tax Fund” for information with respect to the Reserve Account and the Reserve Policy.

Issuance of Parity Bonds

The Indenture authorizes the District to issue Parity Bonds for the purpose of either financing additional authorized facilities of the District or refunding all or a portion of the Bonds or any Parity Bonds. Such Parity Bonds may be issued subject to the following additional specific conditions:

(1) The District shall be in compliance with all covenants set forth in the Indenture and any Supplemental Indenture then in effect and a certificate of the District to that effect shall have been filed with the Trustee; provided, however, that Parity Bonds may be issued notwithstanding that the District is not in compliance with all such covenants so long as immediately following the issuance of such Parity Bonds, the District will be in compliance with all such covenants.

(2) The issuance of such Parity Bonds shall have been duly authorized pursuant to the Act and all applicable laws, and the issuance of such Parity Bonds shall have been provided for by a Supplemental Indenture duly adopted by the District which shall specify the following: (a) the purpose for which such Parity Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited; (b) the authorized Principal Amount and/or Maturity Value of such Parity Bonds; (c) the date and the maturity date or dates of such Parity Bonds; provided that (i) each maturity date shall fall on a September 1, (ii) all such Parity Bonds of like maturity shall be identical in all respects, except as to number, and (iii) fixed serial maturities or Sinking Fund Payments, or any combination thereof, shall be established to provide for the retirement of all such Parity Bonds on or before their respective maturity dates; (d) the description of Parity Bonds, the place of payment thereof and the procedure for execution and authentication; (e) the denominations and method of numbering of such Parity Bonds; (f) the amount and due date of each mandatory Sinking Fund Payment, if any, for such Parity Bonds; (g) the amount, if any, to be deposited from the proceeds of such Parity Bonds in the Reserve account of the Special Tax Fund to increase the amount therein to the Reserve Requirement, provided that if the interest on such Parity Bonds is intended by the District to be excluded from the gross income of the recipients thereof for federal income tax purposes, such amount shall not exceed the maximum amount of proceeds that, in the opinion of Bond Counsel, can be so deposited without causing the interest on such Parity Bonds to be included in the gross income of the recipients thereof for federal income tax; (h) the form of such Parity Bonds; and (i) such other provisions as are necessary or appropriate and not inconsistent with the Indenture.

(3) The District shall have received the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Parity Bonds by the Trustee (unless the Trustee shall accept any of such documents bearing a prior date):

- (a) a certified copy of the Supplemental Indenture authorizing the issuance of such Parity Bonds;
- (b) a written request of the District as to the delivery of such Parity Bonds;

(c) an opinion of Bond Counsel to the District to the effect that (i) the District has the right and power under the Act to adopt the Supplemental Indenture relating to such Parity Bonds, and the Supplemental Indenture has been duly and lawfully adopted by the District, is in full force and effect and is valid and binding upon the District and enforceable in accordance with its terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights); (ii) the Indenture creates the valid pledge which it purports to create of the Special Taxes and other amounts as provided in the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; and (iii) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of the Indenture and all Supplemental Indentures thereto and are entitled to the benefits of the Indenture and all such Supplemental Indentures, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and the Indenture and all such Supplemental Indentures;

and a further opinion of Bond Counsel to the effect that, assuming compliance by the District with certain tax covenants, the issuance of the Parity Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds theretofore issued on a tax exempt basis, or the exemption from State of California personal income taxation of interest on any Outstanding Bonds and Parity Bonds theretofore issued;

(d) a certificate of the District containing such statements as may be reasonably necessary to show compliance with the requirements of the Indenture;

(e) where the Parity Bonds are issued solely to refund the Bonds or other Parity Bonds, a certificate of an Independent Financial Consultant certifying that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds;

(f) where the Bonds are being issued other than solely to refund the Bonds or other Parity Bonds, a Certificate of the Special Tax Administrator certifying that (i) the maximum Special Taxes that may be levied in each Fiscal Year on parcels that are Developed Property is not less than 125% of the Annual Debt Service in the Bond Year that begins in such Fiscal Year; and (ii) the Value of District Property is not less than eight (8) times the sum of Direct Debt for District Property plus Overlapping Debt allocable to all property in Improvement Area No. 11 subject to the Special Tax. For purposes of the foregoing Certificate of the Special Tax Administrator, all calculations shall consider the Parity Bonds proposed to be issued to be Outstanding; and

(g) such further documents, money and securities as are required by the provisions of the Indenture and the Supplemental Indenture providing for the issuance of Parity Bonds.

Notwithstanding the foregoing, the District may issue bonds secured by Special Taxes on a basis that is subordinate to the lien thereon of the Bonds.

Priority of Lien

Each installment of the Special Taxes and any interest and penalties thereon, constitutes a lien on the parcel of land on which it was imposed until the same is paid. Such lien is co-equal to and independent of the lien for general taxes, any other community facilities district special taxes. See "IMPROVEMENT AREA NO. 11 —Value-to-Lien Ratios" herein.

Covenants of the District

In the Indenture, the District has made certain covenants, certain of which are described below.

Punctual Payment. The District covenants that it will duly and punctually pay or cause to be paid the Principal Amount, Accreted Value and Maturity Value of and interest on every Bond and Parity Bond issued under the Indenture, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and the Parity Bonds and in accordance with the Indenture to the extent that Special Taxes and other amounts pledged thereunder are available therefor, and that the payments into the Funds and Accounts created under the Indenture will be made, all in strict conformity with the terms of the Bonds, any Parity Bonds, and the Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and all Supplemental Indentures and of the Bonds and any Parity Bonds issued thereunder.

Against Encumbrance. The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Special Taxes except as provided in the Indenture, and will not issue any obligation or security having a lien or charge upon the Special Taxes superior to or on a parity with the Bonds, other than Parity Bonds. Nothing in the Indenture shall prevent the District from issuing or incurring indebtedness which is payable from a pledge of Special Taxes which is subordinate in all respects to the pledge of Special Taxes to repay the Bonds and the Parity Bonds.

Levy of Special Tax. So long as any Bonds or Parity Bonds issued under the Indenture are Outstanding, the legislative body of the District covenants to levy the Special Tax in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and available for such purpose, to pay (1) the Principal Amount, Accreted Value and Maturity Value of and interest on the Bonds and any Parity Bonds when due, (2) the Administrative Expenses, (3) any amounts required to maintain the Reserve Account of the Special Tax Fund at the Reserve Requirement, and (4) any amounts due to the Bond Insurer not included in (1) through (3) above. The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

Commence Foreclosure Proceedings. The District covenants that it will within 150 days of a delinquency in the payment of any Special Taxes forthwith undertake and diligently prosecute foreclosure proceedings to collect such delinquent amounts provided however that if the amount collected from any source including Teeter Payments is greater than 92.5% of the aggregate amount of Special Taxes levied and the amount in the Reserve Account is at least equal to the Reserve Requirement, the District shall not be required to undertake such foreclosure proceedings unless it is determined that any single property owner is delinquent in excess of \$25,000 in the payment of the Special Taxes applicable to such property owners property in which case the District shall diligently institute prosecute and pursue such foreclosure proceedings against such property. Upon the redemption or sale of the real property responsible for such delinquencies the District shall deposit in the Special Tax Fund the net proceeds of such redemption or sale.

Upon the redemption or sale of the real property responsible for such delinquencies the District shall deposit in the Special Tax Fund the net proceeds of such redemption or sale.

Special Taxes are Included in the Teeter Plan

In 1949, the California Legislature enacted an alternative method for the distribution of secured property taxes to local agencies. This method, known as the Teeter Plan, is now set forth in Sections 4701-4717 of the California Revenue and Taxation Code. Upon adoption and implementation of the Teeter Plan by a county board of supervisors, local agencies for which the county acts as "bank" and certain other public agencies and taxing areas located in the county receive annually the full amount of their share of property taxes on the secured roll, including delinquent property taxes which have yet to be collected. While a county benefits from the penalties associated with these delinquent taxes when they are paid, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

To implement a Teeter Plan, the board of supervisors of a county generally must elect to do so by July 15 of the Fiscal Year in which it is to apply. The Board of Supervisors of the County adopted the Teeter Plan on June 29, 1993 and has elected to include in its Teeter Plan special taxes levied in certain community facilities districts, including the District, on the secured roll. Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a Fiscal Year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, opt to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency. See "SPECIAL RISK

FACTORS — Teeter Plan Termination.” The County has not previously discontinued the Teeter Plan with respect to any levying agency.

Upon making a Teeter Plan election, a county must initially provide a participating local agency with 95% of the estimated amount of the then accumulated tax delinquencies (excluding penalties) for that agency. In the case of the initial year distribution of special taxes and assessments (if a county has elected to include assessments), 100% of the special tax delinquencies (excluding penalties) are to be apportioned to the participating local agency which levied the special tax. After the initial distribution, each participating local agency receives annually 100% of the secured property tax levies to which it is otherwise entitled, regardless of whether the county has actually collected the levies.

If any tax or assessment which was distributed to a Teeter Plan participant is subsequently changed by correction, cancellation or refund, a *pro rata* adjustment for the amount of the change is made on the records of the treasurer and auditor of the county. Such adjustment for a decrease in the tax or assessment is treated by the County as an interest-free offset against future advances of tax levies under the Teeter Plan.

The levy of the Special Taxes by the District is included in the County’s Teeter Plan. As a result, the District’s receipt of Special Taxes will not be subject to delinquency so long as the District is enrolled in the Teeter Plan. See “SPECIAL RISK FACTORS — Teeter Plan Termination.”

BOND INSURANCE

The information under this caption has been prepared by the Bond Insurer for inclusion in this Official Statement. Neither the District nor the Underwriter has reviewed this information, nor do such entities make any representation with respect to the accuracy or completeness thereof or any information incorporated by reference. Reference is made to Appendix G for a specimen of the Policy.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, the Bond Insurer will issue its Municipal Bond Insurance Policy for the Insured Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix G to this Official Statement.

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

Assured Guaranty Inc.

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

The Bond Insurer’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of the Bond Insurer should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations

to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of the Bond Insurer in its sole discretion. In addition, the rating agencies may at any time change the Bond Insurer's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by the Bond Insurer. The Bond Insurer only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by the Bond Insurer on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

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

Current Financial Strength Ratings.

On August 4, 2025, KBRA announced that it had affirmed the Bond Insurer's insurance financial strength rating of "AA+" (stable outlook).

On June 30, 2025, S&P announced that it had affirmed the Bond Insurer's financial strength rating of "AA" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed the Bond Insurer's insurance financial strength rating of "A1" (stable outlook).

The Bond Insurer can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding the Bond Insurer's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Capitalization of the Bond Insurer. At June 30, 2025:

- The policyholders' surplus of the Bond Insurer was approximately \$3,514 million.
- The contingency reserve of the Bond Insurer was approximately \$1,453 million.
- The net unearned premium reserves and net deferred ceding commission income of the Bond Insurer and its subsidiaries (as described below) were approximately \$2,437 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of the Bond Insurer and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of the Bond Insurer were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the Securities and Exchange Commission (the “SEC”) that relate to the Bond Insurer are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (filed by AGL with the SEC on February 28, 2025);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (filed by AGL with the SEC on May 9, 2025); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (filed by AGL with the SEC on August 8, 2025).

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

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

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

THE DISTRICT

General

The District was established on March 26, 2013 in accordance with the Act and is a legally constituted governmental entity separate and apart from the City. The District is located in the eastern portion of the City, south of Highway 133 and east of Interstate 5. The majority of the District is located in, and, together with the New CFD (defined below), comprises most of the acreage of, the privately-owned master-planned project known generally as the “Great Park Neighborhoods.”

The Great Park Neighborhoods

History. Heritage Fields El Toro, LLC (previously defined as the “Master Developer”), is the master developer of the Great Park Neighborhoods. The Great Park Neighborhoods are located in large part on property that once housed Marine Corps Air Station, El Toro (“MCAS El Toro”).

MCAS El Toro formally closed on July 2, 1999 and the County of Orange was designated the Local Redevelopment Authority for development of a Community Reuse Plan to guide future development of the former base. In March 2003, the County agreed to a property tax transfer agreement with the City paving the way for annexation, which was approved in November 2003 by the Orange County Local Agency Formation Commission. The City completed annexation of MCAS El Toro on January 14, 2004.

In February 2005, the Department of the Navy (“DON”) sold the majority of MCAS El Toro for approximately \$650 million to Heritage Fields LLC (“HFLLC”) for development into the Great Park Neighborhoods. Of the remaining part of MCAS El Toro that was not sold to HFLLC, a portion was transferred to the City in fee, to be used for recreational purposes, while approximately 116 acres (the “LIFOC Area”) continues to be held by DON and leased to the City, for recreational purposes, until DON or the City completes environmental remediation on such portion, at which point the LIFOC Area will be transferred to the City in fee. See “—Environmental Mitigation” below.

Environmental Mitigation. In 1990, the United States Environmental Protection Agency (the “EPA”) listed MCAS El Toro on the National Priorities List (the “NPL”). In 2005 and 2006, the EPA clarified that 1,013 acres of the Great Park Neighborhoods had never been impacted by hazardous waste of any kind and were, therefore, not part of the EPA’s initial NPL determination. On January 21, 2014, the EPA formally deleted approximately 1,959 acres of additional property at MCAS El Toro from the NPL. Approximately 59 acres of the Great Park Neighborhoods, though none within Improvement Area No. 11, approximately 507 acres of City property and approximately 167 acres of County property remain on the NPL. The entire area constituting the LIFOC Area is subject to the Framework Agreement and the City expects to build a cultural terrace thereon (see “FINANCING PLAN—Purpose of Issue and the Financing Plan—Public Facilities Expected to be Constructed by the City”). The City does not have an estimate for when the DON, or the City on behalf of DON, will complete remediation of the LIFOC Area, and subsequently transfer the LIFOC Area to the City.

Proposed Development. Subsequent to its purchase thereof, HFLLC conveyed the Great Park Neighborhoods to the Master Developer. The Master Developer is an indirect subsidiary of HFLLC.

On December 27, 2010, the Master Developer, the City and the Redevelopment Agency of the City of Irvine, entered into the ARDA (as defined under the caption “SOURCES OF PAYMENT FOR THE BONDS—Special Tax Fund”). Additionally, on such date, the Master Developer and the City entered into the ARMIA, which addresses, in part, the manner in which the Master Developer is to design and construct the backbone infrastructure serving both the Great Park Neighborhoods and the Great Park. On March 26, 2013, the Master Developer and the City entered into an Acquisition Agreement that sets out the procedures for financing various improvements through the District. On October 11, 2022, the City and the Master Developer entered into the Framework Agreement, which describes the conditions and processes of the formation of a new community facilities district (the “New CFD”) that overlays Improvement Area No. 2 of the District and sets forth a sharing of the special tax and bond proceeds from both the District and the New CFD. To set out the procedures for financing various improvements through the District and the New CFD, and in accordance with the Framework Agreement, the City and the Master Developer also entered into an Amended and Restated Acquisition Agreement, which amended and restated the Acquisition Agreement, dated March 26, 2013.

It is currently anticipated that the Great Park Neighborhoods will consist of up to 10,566 residential units and up to approximately 4.8 million square feet of non-residential space (including, among other uses, commercial, retail, industrial, medical, and research and development space). The development will be constructed in numerous phases over time. As of August 31, 2025, approximately 76% of the planned residential units within the Great Park Neighborhoods had been constructed and approximately 23% of the commercial square footage had been constructed. The development within Improvement Area No. 11 represented just one phase of the development within the Great Park Neighborhoods. Additional phases of development commenced in Improvement Area Nos. 1, 4, 5, 6, 7, 8, 9, 10, 12, 14, 15, 16 and 17, which are not the subject of this Official Statement and the special taxes from which do not serve as security for the Bonds. The Master Developer projects that development of the Great Park Neighborhoods will be completed in 2030.

In addition, three K-8 elementary schools and one high school have been constructed in and around the Community Facilities District for use by IUSD to provide K-12 education services to children within the Great Parks Neighborhoods. Pursuant to a Joint Community Facilities Agreement between the City and IUSD, a portion of the proceeds of the Bonds will be used to finance IUSD facilities. See “FINANCING PLAN—Purpose of Issue and the Financing Plan—Public Facilities Expected to be Constructed by IUSD”. Furthermore, the School Facilities Improvement District (the “SFID”) established by IUSD specifically excluded the property in the Great Park Neighborhoods; as a result, the parcels within the Great Park Neighborhoods are not levied to make payments on any debt of the SFID.

The residential and non-residential uses in and around the Great Park Neighborhoods generally surround the publicly-owned Great Park, which, upon completion, is anticipated to contain, among other possibilities, a botanical garden, veterans memorial garden, public library, a variety of museums, the Great Meadow and lakes. The Great Meadow is a park within the Great Park that will include a variety of programming options such as picnic facilities, vista points over the park and a treetop walk. Approximately 12 acres of lakes will serve as both a quiet area for meditation, picnics, and play and serve as a component of the site-wide drainage and water quality system. These park elements are in addition to the existing 175-acre sports park with soccer fields, baseball fields, softball fields, volleyball courts, tennis courts, sports courts, dedicated parking, and an approximately 40-acre Bosque, which features include a dog park, a cultural amphitheater area, a children play area, the Great Park Ice & Sports Complex and Wild Rivers water park, the restored Agua Chinon creek, approximately 33 acres of trails and walkways, and approximately 71 acres of agricultural property. In total, the Great Park includes over 1,300 acres, most of which is owned by the City.

The Master Developer. Heritage Fields El Toro, LLC, the Master Developer, is a Delaware limited liability company that is managed by FivePoint Communities Management, Inc., a subsidiary of FivePoint Holdings, LLC (“FivePoint”). FivePoint is a publicly traded company. Lennar Corporation (NYSE: LEN), one of the nation’s largest homebuilders, is FivePoint’s biggest investor.

IMPROVEMENT AREA NO. 11

Location and Description

The City formed Improvement Area No. 11 within the District on March 10, 2020. Improvement Area No. 11 consists of approximately 120 acres and is generally located southwest of Irvine Boulevard, south of Merit, northwest of Alton Parkway, and northeast of Astor. Development in Improvement Area No. 11 is complete, consisting of residential development of 479 attached and 431 detached residential units. Improvement Area No. 11 was marketed under the name Solis Park and includes two parks. Solis Park is the primary recreational facility and includes a community building, beach-entry pool, spa, an indoor-outdoor playroom off the pool deck and two playgrounds. The area also features a green-roof walkway, landscaped garden walkways, outdoor lounge seating areas and an outdoor barbeque located on the pool deck. A separate park, The Retreat at Solis Park, offers a tot lot, two outdoor kitchen barbeque areas, outdoor foosball, two shaded pools, a hot spa and a cold spa. A covered deck with an outdoor fireplace provides additional space for

residents to gather and relax. Two parcels of Improvement Area No. 11 are owned by the Master Developer and are in the process of being transferred to the Master HOA.

All of the property within Improvement Area No. 11 was initially owned by the Master Developer before being sold to merchant builders for development. Residential units in Improvement Area No. 11 were developed by five national merchant builders, with construction beginning in approximately May 2022. The five merchant builders consisted of Lennar, Pulte, Taylor Morrison, Tri Pointe and TruMark. The last units were transferred to homeowners in August 2025. Improvement Area No. 11 is located within the master development known as the Great Park Neighborhoods. See “THE DISTRICT—The Great Park Neighborhoods.”

Property Values

The extent to which the Special Tax provides security for the Bonds and any Parity Bonds is, at least in part, a function of the value of each parcel of land within Improvement Area No. 11 that is subject to the Special Tax because, in the event that a property owner defaults in the payment of the Special Tax, such property owner will not have any personal liability for the payment of the Special Tax, and the principal remedy available to the District will be to take foreclosure proceedings with respect to the subject property.

The District has not engaged an independent appraiser to provide an opinion concerning the values of the parcels within Improvement Area No. 11 that comprise the property subject to the Special Tax. However, the District has determined the assessed values of those parcels, as shown on the Fiscal Year 2025-26 County Assessor’s roll. The aggregate assessed value of the Developed Property subject to the Special Tax within Improvement Area No. 11 as shown on the Fiscal Year 2025-26 County Assessor’s roll is \$1,256,914,664.

The assessed value of the property in Improvement Area No. 11 represents the secured assessed value established by the County Assessor. Assessed values do not necessarily represent market values. Article XIII A of the California Constitution (Proposition 13) defines “full cash value” to mean “the County assessor’s valuation of real property as shown on the 1975/76 roll under ‘full cash value’, or, thereafter, the appraised value of real property when purchased or newly constructed or when a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. The “full cash value” is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors. Because of the general limitation to 2% per year in increases in full cash value of properties which remain in the same ownership, the County tax roll does not reflect values uniformly proportional to actual market values. There can be no assurance that the assessed valuations of the properties within the District accurately reflect their respective market values, and the future fair market values of those properties may be lower than their current assessed valuations.

Table 4 below shows the assessed values of Developed Property in Improvement Area No. 11 between Fiscal Years 2020-21 and 2025-26.

TABLE 4
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
HISTORY OF ASSESSED VALUATIONS OF DEVELOPED PROPERTY

<i>Fiscal Year</i>	<i>Total Assessed Value</i>
2020-21	\$ 45,687,245
2021-22	465,189,874
2022-23	570,562,824
2023-24	1,160,778,565
2024-25	1,220,470,731
2025-26	1,256,914,664

Source: Orange County Fiscal Year Secured Property Roll, compiled by Willdan Financial Services.

Direct and Overlapping Debt

Based on the assessed values shown in the Fiscal Year 2025-26 County Assessor's roll, the assessed value of all Developed Property in Improvement Area No. 11 subject to the Special Tax was \$1,256,914,664.

Improvement Area No. 11 is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The outstanding indebtedness payable from taxes and assessments that may be levied upon the property within Improvement Area No. 11 is shown in Table 5 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within Improvement Area No. 11; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments. The value-to-lien ratio of the parcels within Improvement Area No. 11, based on the Fiscal Year 2025-26 County Assessor's roll and all such estimated direct and overlapping special tax and assessment indebtedness within Improvement Area No. 11, and assuming the issuance of the Bonds, equals approximately 9.04:1*. This ratio does not include other overlapping general obligation debt within Improvement Area No. 11.

TABLE 5
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
DIRECT AND OVERLAPPING DEBT AGAINST DEVELOPED PROPERTY
AS OF JUNE 24, 2025

Assessed Value Fiscal Year 2025-26		
(Land and Improvements)		\$ 1,256,914,664
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	% Applicable	Debt as of 7/1/25
Metropolitan Water District	0.0260%	\$ 4,451
Irvine Ranch Water District, I.D. No. 112-212	12.553	3,570,034
City of Irvine Community Facilities District No. 2013-3, I.A. 11 ⁽¹⁾	100.000	135,330,767*
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 138,905,252*
Ratios to Fiscal Year 2025-26 Assessed Valuation		
Direct Debt (\$135,330,767*)	10.77%*	
Total Direct and Overlapping Tax and Assessment Debt	11.05%*	

* Preliminary, subject to change.

⁽¹⁾ Represents aggregate principal amount of the Bonds.

Source: California Municipal Statistics, Inc.

* Preliminary, subject to change.

Value-to-Lien Ratios

With the exception of the two parcels in the process of being transferred to the Master HOA, development within Improvement Area No. 11 is complete. Table 6 below sets forth the value-to-lien ratio of the property within Improvement Area No. 11 for the ten property owners with the largest share of the Special Tax levy and for all other owners of property within Improvement Area No. 11 in the aggregate, in each case based on the Assessed Values below. The District believes that no person or entity currently owns more than six parcels of Developed Property within Improvement Area No. 11.

Table 7 below sets forth the stratification of value-to-liens of the parcels of Developed Property subject to the Special Tax within Improvement Area No. 11 based on the Fiscal Year 2025-26 County Assessor's roll and each parcel's respective share of the principal amount of the Bonds and all other overlapping land-secured debt. The ratio of the value of an individual lot within Improvement Area No. 11 to its respective share of the principal amount of the Bonds and overlapping debt can be expected to vary.

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TABLE 6
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
VALUE-TO-LIEN FOR TOP TEN TAXPAYERS
BASED ON FISCAL YEAR 2025-26 MAXIMUM SPECIAL TAXES

<i>Property Owner</i>	<i>No. of Units</i>	<i>Fiscal Year 2025-26 Maximum Special Tax</i>	<i>Percent of Total Fiscal Year 2025-26 Maximum Special Tax</i>	<i>Assessed Value</i>	<i>The Bonds*</i>	<i>All Other Overlapping Land-Secured Debt ⁽¹⁾</i>	<i>Total Outstanding Debt*</i>	<i>Value-to-Lien Ratio ^{(2)*}</i>
INDIVIDUAL OWNER	6	\$ 48,777	0.60%	\$ 9,248,753	\$ 812,566	\$ 21,462	\$ 834,029	11.08:1
INDIVIDUAL OWNER	2	23,648	0.29	3,743,460	393,944	10,405	404,349	9.25:1
INDIVIDUAL OWNER	2	21,967	0.27	3,395,548	365,941	9,666	375,607	9.04:1
INDIVIDUAL OWNER	2	21,967	0.27	3,061,080	365,941	9,666	375,607	8.14:1
INDIVIDUAL OWNER	2	21,967	0.27	3,103,609	365,941	9,666	375,607	8.26:1
INDIVIDUAL OWNER	2	20,383	0.25	2,954,724	339,548	8,968	348,516	8.47:1
INDIVIDUAL OWNER	2	20,362	0.25	2,831,865	339,212	8,960	348,171	8.13:1
INDIVIDUAL OWNER	2	20,277	0.25	3,038,283	337,780	8,922	346,701	8.76:1
INDIVIDUAL OWNER	2	19,385	0.24	3,567,960	322,930	8,530	331,459	10.76:1
INDIVIDUAL OWNER	2	18,847	0.23	2,861,078	313,967	8,293	322,260	8.87:1
Subtotal	<u>24</u>	<u>237,580</u>	<u>2.92</u>	<u>37,806,360</u>	<u>3,957,770</u>	<u>104,536</u>	<u>4,062,306</u>	<u>9.30:1</u>
All Other Individual Property Owners	<u>886</u>	<u>7,886,159</u>	<u>97.08</u>	<u>1,219,108,304</u>	<u>131,372,997</u>	<u>3,469,949</u>	<u>134,842,946</u>	<u>9.04:1</u>
Totals	910	\$ 8,123,739	100.00%	\$ 1,256,914,664	\$ 135,330,767	\$ 3,574,485	\$138,905,252	9.04:1

* Preliminary, subject to change.

⁽¹⁾ See Table 5. Excludes overlapping general obligation debt.

⁽²⁾ Calculated by dividing the Assessed Value by the Total Outstanding Debt.

Note: Totals may not tie due to rounding.

Sources: Assessed Values - Orange County Fiscal Year 2025-26 Secured Property Roll, as compiled by Willdan Financial Services. Ownership - Orange County Fiscal Year 2025-26 Secured Property Roll, ParcelQuest, First American and Orange County Clerk-Recorder, as compiled by Willdan Financial Services. Overlapping Debt provided by California Municipal Statistics Inc.

TABLE 7
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
VALUE-TO-LIEN STRATIFICATION OF DEVELOPED PROPERTY*

<i>Value-to-Lien Category</i>	<i>No. of Taxable Units</i>	<i>Fiscal Year 2025-26 Assessed Value⁽¹⁾</i>	<i>The Bonds⁽²⁾</i>	<i>Percent of Bonds</i>	<i>All Other Overlapping Debt⁽³⁾</i>	<i>Total Bonds and all Other Overlapping Debt</i>	<i>Aggregate Value-to-Lien⁽⁴⁾</i>
Less than 4:1 ⁽⁵⁾	2	\$ 712,874	\$ 272,299	0.20%	\$ 7,192	\$ 279,491	2.55:1
4:1 to 5.99:1 ⁽⁵⁾	10	7,269,041	1,281,449	0.95	33,847	1,315,295	5.52:1
6:1 to 7.99:1	122	144,957,996	18,417,083	13.61	486,450	18,903,533	7.66:1
8:1 to 9.99:1	592	817,121,292	89,922,596	66.45	2,375,121	92,297,717	8.85:1
10:1 to 11.99:1	159	241,311,400	21,967,739	16.23	580,233	22,547,972	10.7:1
At least 12:1	<u>25</u>	<u>45,542,061</u>	<u>3,469,601</u>	<u>2.56</u>	<u>91,642</u>	<u>3,561,243</u>	<u>12.78:1</u>
Totals:	910	\$ 1,256,914,664	\$ 135,330,767	100.00%	\$ 3,574,485	\$ 138,905,252	9.04:1

* Preliminary, subject to change.

(1) Based on Fiscal Year 2025-26 County Assessor's roll.

(2) Allocated based on the Fiscal Year 2025-26 Developed Property Maximum Special Tax.

(3) See Table 5. Excludes overlapping general fund debt, provided by California Municipal Statistics, Inc.

(4) Calculated by dividing the Fiscal Year 2025-26 Value by the Total Debt.

(5) These ratios are low because Propositions 58, 60 and 90 limit the assessment capabilities of the County.

Note: Totals may not tie due to rounding.

Source: Assessed Values - Orange County Fiscal Year 2025-26 Secured Property Roll, as compiled by Willdan Financial Services. Overlapping Debt provided by California Municipal Statistics Inc.

Delinquency History

Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year. Special Taxes were first levied in Improvement Area No. 11 during Fiscal Year 2020-21. Table 8 below summarizes the Special Tax delinquencies within Improvement Area No. 11 for the past five Fiscal Years as of September 11, 2025. The levy of the Special Taxes is included in the County's Teeter Plan. See "SOURCES OF PAYMENT FOR THE BONDS - Special Taxes are Included in the Teeter Plan."

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**TABLE 8
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
SPECIAL TAX LEVIES, DELINQUENCIES AND DELINQUENCY RATES
FISCAL YEARS 2020-21 THROUGH 2024-25**

<i>Fiscal Year</i>	<i>Amount Levied</i>	<i>Parcels Levied</i>	<i>Delinquencies as of Fiscal Year End</i>				<i>Delinquencies as of September 11, 2025</i>		
			<i>As of Date</i>	<i>Parcels Delinquent</i>	<i>Amount Delinquent</i>	<i>Percent Delinquent</i>	<i>Parcels Delinquent</i>	<i>Amount Delinquent</i>	<i>Percent Delinquent</i>
2020-21	\$1,101,414	16	5/11/2021	2	\$ 51,694	4.69%	0	\$ 0	0.00%
2021-22	1,133,956	134	5/06/2022	4	27,131	2.39	0	0	0.00
2022-23	1,399,714	73	5/19/2023	1	4,429	0.32	0	0	0.00
2023-24	6,670,641	539	5/26/2024	23	123,444	1.85	2	15,064	0.23
2024-25	7,963,619	877	5/11/2025	40	232,200	2.92	11	82,673	1.04

Source: Orange County Treasurer-Tax Collector, compiled by Willdan Financial Services.

Effective Tax Rates

Table 9 below shows the estimated effective tax rates of taxable property with completed homes within Improvement Area No. 11, classified by whether units are attached or detached, based on the average Fiscal Year 2025-26 assessed values, the estimated Fiscal Year 2025-26 levies for all other overlapping taxing jurisdictions and the Fiscal Year 2025-26 Special Tax levy for Improvement Area No. 11.

Based on publicly available information, all of the homes within Improvement Area No. 11 that had been transferred to individual home owners by January 1, 2025 had estimated tax rates below 2% except for twelve homes which had higher estimated tax rates because their assessed value was artificially suppressed by Propositions 58, 60 and 90.

TABLE 9
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 11
ESTIMATED EXISTING UNIT EFFECTIVE TAX RATE FOR FISCAL YEAR 2025-26

<i>Taxing Jurisdiction</i>	<i>Average Assessed Value - Completed Dwelling Unit</i>	<i>Average Fiscal Year 2025-26 Special Tax</i>	<i>Estimated Fiscal Year 2025-26 Ad Valorem Taxes Per Completed Dwelling Unit⁽¹⁾</i>	<i>Estimated Fiscal Year 2025-26 Other Taxes Per Completed Dwelling Unit⁽²⁾</i>	<i>Estimated Effective Tax Rate - Completed Dwelling Unit</i>
Improvement Area No. 11					
Detached	\$1,623,756	\$10,641	\$17,123	\$97	1.72%
Attached	1,162,997	7,385	12,264	97	1.70

⁽¹⁾ Fiscal Year 2025-26 ad valorem tax rates estimated using Fiscal Year 2024-25 tax rates.

⁽²⁾ Fiscal Year 2025-26 other taxes estimated using Fiscal Year 2024-25 tax rates increased by three percent (3%) to account for inflationary adjustments.

Sources: Assessed Values - Orange County Fiscal Year 2025-26 Secured Property Roll, as compiled by Willdan Financial Services. Overlapping Debt provided by California Municipal Statistics Inc.

SPECIAL RISK FACTORS

The purchase of the Bonds involves significant risks that are not appropriate for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in Improvement Area No. 11 to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in Improvement Area No. 11. See “— Property Values” below.

Risks of Real Estate Secured Investments Generally

The Bond Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation: (i) adverse changes in local market conditions, such as changes in the market value of real property in and around the vicinity of Improvement Area No. 11, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous

materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, wildfires, floods, drought and windstorms), which may result in uninsured losses; (iv) adverse changes in local market conditions; and (v) increased delinquencies due to rising mortgage costs and other factors.

No assurance can be given that the property owners within Improvement Area No. 11 will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See the caption “— Enforcement Delays — Bankruptcy” for a discussion of certain limitations on the District’s ability to pursue judicial proceedings with respect to delinquent parcels.

Insufficiency of Special Taxes

As discussed below, the Special Taxes may not produce revenues sufficient to pay the debt service on the Bonds due to nonpayment of the amounts levied.

In order to pay debt service on the Bonds, it is generally necessary that the Special Taxes be paid in a timely manner. Should the Special Taxes not be paid on time, the District has established a Reserve Account under the Indenture to be maintained in an amount equal to the Reserve Requirement to pay debt service on the Bonds and any Parity Bonds to the extent other funds are not available. See “SOURCES OF PAYMENT FOR THE BONDS — Reserve Account.” The District will covenant in the Indenture to maintain in the Reserve Account an amount equal to the Reserve Requirement, subject, however, to the availability of Special Taxes in amounts sufficient to do so and to the limitation that the District may not levy the Special Tax in any Fiscal Year at a rate in excess of the maximum amounts permitted under the Rate and Method. See Appendix A and Appendix D hereto. As a result, if a significant number of Special Tax delinquencies occurs within Improvement Area No. 11, the District could be unable to replenish the Reserve Account to the Reserve Requirement due to the limitations on the amount of the Special Tax that may be levied. If such defaults were to continue in successive years, the Reserve Account could be depleted and a default on the Bonds could occur.

The Act provides that, if any property within Improvement Area No. 11 not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts, but it is doubtful that they would be upheld as to, for example, property owned by the federal government. If for any reason property within the District becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government or another public agency, subject to the limitation of the Maximum Annual Special Tax, the Special Tax will be reallocated to the remaining taxable parcels within Improvement Area No. 11. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon their willingness and/or ability to pay the Special Tax. Moreover, if a substantial portion of additional land within Improvement Area No. 11 became exempt from the Special Tax because of public ownership, or otherwise, the Maximum Annual Special Tax which could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on the Bonds when due and a default will occur with respect to the payment of such principal and interest.

The District will covenant in the Indenture that, under certain circumstances, it will institute foreclosure proceedings to sell any property with delinquent Special Taxes in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. See “SOURCES OF PAYMENT FOR THE BONDS — Covenants of the District” for provisions which apply in the event of such foreclosure and which the District is required to follow in the event of delinquencies in the payment of the Special Tax.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds (if the Reserve Account has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the City on behalf of the District of the proceeds of sale. The District may adjust the future Special Tax levied on taxable parcels in the District, subject to limitations described above under the caption “THE DISTRICT — Rate and Method of Apportionment,” to provide an amount required to pay interest on and principal of the Bonds, and the amount, if any, necessary to replenish the Reserve Account to an amount equal to the Reserve Requirement, and to pay all current expenses. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against taxable parcels in the District will be at all times sufficient to pay the amounts required to be paid by the Indenture, even if the Special Tax is levied at the Maximum Special Tax rates. See “— Enforcement Delays — Bankruptcy.”

No assurance can be given that the real property subject to sale or foreclosure will be sold, or if sold, that the proceeds of sale will be sufficient to pay any delinquent installments of the Special Tax. The Act does not require the City to purchase or otherwise acquire any lot or parcel of property to be sold at foreclosure if there is no other purchaser at such sale. The Act and the Indenture do specify that the Special Tax will have the same lien priority as for *ad valorem* property taxes in the case of delinquency. Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post judgment interest and authorized costs, unless the consent of the owners of 75% of the Outstanding Bonds and any Parity Bonds is obtained.

Prior to July 1, 1983, the right of redemption from foreclosure sales was limited to a period of one year from the date of sale. Under legislation effective July 1, 1983, the statutory right of redemption from such foreclosure sales has been repealed. However, a period of 20 days must elapse after the date on which the notice of levy of the interest in real property was served on the judgment debtor before the sale of such lot or parcel can be made. Furthermore, if the purchaser at the sale is the judgment creditor (e.g., the District), an action may be commenced by the delinquent property owner within 90 days after the date of sale to set aside such sale. The constitutionality of the aforementioned legislation, which repeals the one year redemption period, has not been tested and there can be no assurance that, if tested, such legislation will be upheld. (Section 701.680 of the Code of Civil Procedure of the State.)

Property Values

The value of property within Improvement Area No. 11 is an important factor in evaluating the investment quality of the Bonds. In the event that a property owner defaults in the payment of a Special Tax installment, the District’s only remedy is to judicially foreclose on that property. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires, tsunamis or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the Special Tax. See “IMPROVEMENT AREA NO. 11 — Value-to-Lien Ratios.”

The Fiscal Year 2025-26 assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal and generally reflect only the sales price of a parcel if acquired by its current owner prior to January 1, 2025. Assessed values may increase or decrease annually by an amount determined by the County Assessor based on current market conditions, generally not to exceed an increase of more than 2% per fiscal year from the date of purchase (except in the case of new construction subsequent to such acquisition). No assurance can be given that a parcel could actually be sold for its assessed value. The actual market value of the property is subject to future events such as downturn in the economy, occurrences of certain acts of nature and the decisions of various governmental agencies as to land use, all of which could adversely impact the value of the parcels in Improvement Area No. 11 that secure the Bonds. See “IMPROVEMENT AREA NO. 11—Value-to-Lien Ratios” and “—Risk of Real Estate Secured Investments Generally.”

No assurance can be given that the value-to-lien ratios set forth in this Official Statement will be maintained over time. As discussed herein, many factors beyond the District's control could adversely affect the property values within Improvement Area No. 11. The District does not have any control over the amount of additional indebtedness that may be issued by other public agencies, the payment of which is through the levy of a tax or an assessment on a parity with the Special Taxes. A decrease in the assessed values in Improvement Area No. 11 or an increase in the indebtedness secured by taxes and amounts with parity liens on property in Improvement Area No. 11, or both, could result in a lowering of the value-to-lien ratio of the property in Improvement Area No. 11.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See "SOURCES OF PAYMENT FOR THE BONDS — Covenants of the District."

Teeter Plan Termination

In 1993, the County implemented its Teeter Plan, as an alternate procedure for the distribution of certain property tax and assessment levies on the secured roll. Pursuant to its Teeter Plan, the County has elected to provide local agencies and taxing areas, including the District with respect to Improvement Area No. 11, with full tax and assessment levies instead of actual tax and assessment collections. In return the County is entitled to retain all delinquent tax and assessment payments, penalties and interest. Thus, the County's Teeter Plan may help protect Owners of the Bonds from the risk of delinquencies in the payment of Special Taxes in Improvement Area No. 11. However, the County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the local agencies and taxing areas covered thereby. A termination of the Teeter Plan with respect to the District and Improvement Area No. 11 would eliminate such protection from delinquent Special Taxes. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes are Included in the Teeter Plan."

Natural Disasters

The area within Improvement Area No. 11, like all California communities, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads, bridges and property within Improvement Area No. 11. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. The area within Improvement Area No. 11 is not located in an Alquist-Priolo Earthquake Study Zone and is not located within one-half mile of an active earthquake fault. In addition, the area within Improvement Area No. 11 is located in a FEMA Zone X, which is a zone of minimal flooding hazard. Homeowner's insurance is readily available to all homeowners within Improvement Area No. 11.

In recent years, wildfires have caused extensive damage throughout the State, including within the County. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. In some instances entire neighborhoods have been destroyed. Several fires in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events.

In recent years, a series of wildfires have burned in or near the City's borders, including the Canyon II fire, Holy Fire, Silverado Fire, Bond Fire and Coastal Fire wildfires. Collectively, these wildfires burned over 50,000 acres and destroyed several dozen structures, causing the temporary evacuation of thousands of residents and putting a significant strain on local fire suppression resources. The City is not aware that any property within Improvement Area No. 11 was damaged by these wildfires.

In January of 2025, a wildfire started in the Pacific Palisades area of Los Angeles County, approximately 140 miles northwest of the District, destroying nearly 7,000 structures and damaging over 1,000

more. Several other fires subsequently broke out in Los Angeles County, destroying and threatening numerous structures, including the Eaton Fire in Altadena, which destroyed more than 9,000 structures and damaged 1,000 more.

Based on mapping by the Department of Forestry and Fire Protection of the State of California (“CalFire”) that was last updated in March 2025, although not yet adopted or published by the City, Improvement Area No. 11 is not located within a Fire Hazard Severity Zone. Based on mapping by the California Public Utilities Commission (“CPUC”), last updated in March 2021, Improvement Area No. 11 is located in close proximity to an area which CPUC has designated as having an elevated fire threat risk. Based on newly released 2025 Cal-Fire hazard zone maps, of the homes located within Improvement Area No. 11, approximately 265 homes are in the very high fire zone, 143 are in the high fire zone, and 165 are in the moderate fire zone.

There is a risk of residential property within Improvement Area No. 11 being destroyed by wildfires and no assurance can be given as to the severity or frequency of wildfires within the vicinity of Improvement Area No. 11. Additionally, property located adjacent to burn areas can be subject to mudslides and flooding, which can cause significant damage and destruction to property.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in Improvement Area No. 11. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of property in Improvement Area No. 11 could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Hazardous Substances

While government taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may also be relevant. One of the most serious in terms of the potential reduction in the value of a parcel is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Super Fund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar in effect. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of a parcel whether or not the owner (or operator) had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within Improvement Area No. 11 be affected by a hazardous substance, is to reduce the marketability and value by the costs of remedying the condition.

Although the property located within the District was previously the site of a military base, the District is not aware of the presence of any federally or state classified hazardous substances in violation of any environmental laws, located on the property within Improvement Area No. 11. See “THE COMMUNITY FACILITIES DISTRICT—The Great Park Neighborhoods—*Hazardous Waste*.” However, it is possible that such materials do currently exist and that the District is not aware of them.

It is possible that property in Improvement Area No. 11 may be liable for hazardous substances in the future as a result of the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or the existence, currently, on the property of a substance not presently classified as hazardous but which may in the future be so classified. Additionally, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling such substance. All of these possibilities could have the effect of reducing the value of the applicable property.

See “THE COMMUNITY FACILITIES DISTRICT—The Great Park Neighborhoods—*Hazardous Waste*” for a discussion of hazardous waste concerns in and around the District.

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of and interest on the Bonds are derived, are customarily billed to the properties within Improvement Area No. 11 on the *ad valorem* property tax bills sent by the County to owners of such properties. The Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments. However, for so long as the District participates in the County’s Teeter Plan, its receipt of the Special Taxes will not be subject to delinquency. See “SOURCES OF PAYMENT FOR THE BONDS — Special Taxes are Included in the Teeter Plan.”

See the Table 8 under the caption “IMPROVEMENT AREA NO. 11—Delinquency History” for the delinquency history within Improvement Area No. 11 over the last five Fiscal Years.

See “SOURCES OF PAYMENT FOR THE BONDS — Covenants of the District,” for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Indenture in the event of delinquencies in the payment of Special Taxes. See “— Enforcement Delays—Bankruptcy” below for a discussion of the policy of the Federal Deposit Insurance Corporation (the “FDIC”) regarding the payment of special taxes and assessment and limitations on the District’s ability to foreclose on the lien of the Special Taxes in certain circumstances.

Enforcement Delays – Bankruptcy

In the event of a delinquency in the payment of the Special Taxes, the District is required to commence enforcement proceedings under the circumstances described under the caption “SOURCES OF PAYMENT FOR THE BONDS — Covenants of the District.” However, prosecution of such proceedings could be delayed due to crowded local court calendars or by bankruptcy, insolvency and other laws generally affecting creditors’ rights (such as the Soldiers’ and Sailors’ Relief Act of 1940) and by the laws of the State relating to judicial and non-judicial foreclosure. Although bankruptcy proceedings would not cause the liens of the Special Taxes to become extinguished, bankruptcy of a person or entity with an interest in the applicable property could result in a delay in the enforcement proceedings because federal bankruptcy laws provide for an automatic stay of foreclosure and tax sale proceedings. Any such delay could increase the likelihood of delay or default in payment of the principal of and interest on the applicable Bonds. The various legal opinions to be delivered in connection with the issuance of the Bonds, including Bond Counsel’s approving legal opinion, are qualified as to the enforceability of the Bonds and the Indenture by reference to bankruptcy, reorganization, moratorium, insolvency and other laws affecting the rights of creditors generally or against public entities such as the District.

FDIC/Federal Government Interests in Parcels

General. The ability of the District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

The supremacy clause of the United States Constitution reads as follows: “This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding.”

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within Improvement Area No. 11 but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("FNMA") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The District has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes within Improvement Area No. 11, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within Improvement Area No. 11 is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-*ad valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit has issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from special taxes under the Act.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within Improvement Area No. 11 in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a

foreclosure sale. Such an outcome could cause a draw on the Reserve Account and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Direct and Overlapping Indebtedness

The ability of an owner of property within Improvement Area No. 11 to pay the applicable Special Taxes could be affected by the existence of other taxes and assessments imposed upon taxable parcels. See “IMPROVEMENT AREA NO. 11 — Direct and Overlapping Debt” herein. The City and other public agencies whose boundaries overlap those of Improvement Area No. 11 could impose additional taxes or assessment liens on the property within Improvement Area No. 11 in order to finance public improvements or services to be located or provided inside of or outside of such area. The lien created on the property within Improvement Area No. 11 through the levy of such additional taxes may be on a parity with the lien of the Special Taxes applicable to the property within Improvement Area No. 11.

The imposition of additional liens on a parity with the Special Taxes may reduce the ability or willingness of property owners to pay the Special Taxes and increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes.

Payment of Special Taxes is not a Personal Obligation of the Property Owners

An owner of a taxable parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation which is secured only by a lien against the taxable parcel. If the proceeds received from the sale of a taxable parcel following a Special Tax delinquency are not sufficient, taking into account other liens imposed by public agencies, to pay the full amount of the Special Tax delinquency, the District has no recourse against the owner of the parcel.

Disclosures to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and the risk of such a levy and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The City has caused a notice of the Special Tax that may be levied against the taxable parcels in Improvement Area No. 11 to be recorded in the Office of the Recorder for the County. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a property within Improvement Area No. 11 or lending of money thereon.

The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Limited Obligations

The Bonds and interest thereon are not payable from the general funds of the City. Except with respect to the Special Taxes, neither the credit nor the taxing power of the District or the City is pledged for the payment of the Bonds or the interest thereon, and, except as provided in the Indenture, no Owner of the Bonds may compel the exercise of any taxing power by the District or the City or force the forfeiture of any City or District property. The principal of, premium, if any, and interest on the Bonds are not a debt of the City or a legal or equitable pledge, charge, lien or encumbrance upon any of the City's or the District's property or upon any of the City's or the District's income, receipts or revenues, except the Special Taxes and other amounts pledged under the Indenture.

The District's legal obligations with respect to any delinquent Special Taxes are limited to: (i) payments from the Reserve Account to the extent of funds on deposit therein; and (ii) the institution of judicial foreclosure proceedings under certain circumstances with respect to any parcels for which Special Taxes are delinquent. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Covenants of the District." The Bonds cannot be accelerated in the event of any default.

The obligation to pay Special Taxes does not constitute a personal obligation of the current or subsequent owners of the respective parcels which are subject to such liens. See the caption "— Payment of Special Taxes is Not a Personal Obligation of the Property Owners." Enforcement of Special Tax payment obligations by the District is limited to judicial foreclosure in the Superior Court of California, County of Orange. There is no assurance that any current or subsequent owner of a parcel subject to a Special Tax lien will be able to pay the amounts due or that such owner will choose to pay such amounts even though financially able to do so.

Failure by owners of the parcels to pay Special Tax installments when due, delay in foreclosure proceedings, or the inability of the District to sell parcels that have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Special Taxes levied against such parcels may result in the inability of the District to make full or timely payments of debt service on the Bonds, which may in turn result in the depletion of the Reserve Account. See the caption "— Enforcement Delays — Bankruptcy."

Ballot Initiatives

Articles XIII A, XIII B, XIII C and XIII D, all of which placed certain limitations on the power of local agencies to tax, collect and expend revenues, were adopted pursuant to measures qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, or the District to levy Special Taxes at the necessary amount, to increase revenues or to increase appropriations or on the ability of the landowners within Improvement Area No. 11 to complete proposed future development.

Proposition 218

An initiative measure commonly referred to as the "Right to Vote on Taxes Act" (the "Initiative") was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIC and Article XIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." The provisions of the Initiative continue to be interpreted by the courts. The Initiative could potentially impact the Special Taxes available to the District to pay the principal of and interest on the Bonds as described below.

Among other things, Section 3 of Article XIII states that "... the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On August 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

Section 3 of Article XIII C of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.

Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the Bonds.

The interpretation and application of the Initiative will continue to be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See "SPECIAL RISK FACTORS — Limitations on Remedies."

Litigation with Respect to Community Facilities Districts

Shapiro. The California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *City of San Diego v. Melvin Shapiro* (2014) 228 Cal.App.4th 756 (the "San Diego Decision"). The case involved a Convention Center Facilities District (the "CCFD") established by the City of San Diego ("San Diego"). The CCFD is a financing district much like a community facilities district established under the provisions of the Act. The CCFD is comprised of all of the real property in San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties located within the CCFD.

The election authorizing the special tax was limited to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel is located. Thus, the election was not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was modeled after Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the California Constitution because Article XIII A, Section 4 thereof and Article XIII C, Section 2 thereof require that the electors in such an election be the registered voters within the district.

Horizon. The Sacramento County Superior Court had issued a tentative ruling in *Horizon Capital Investments, LLC v. City of Sacramento et al.* (Case No. 34-2017-80002661). That ruling subsequently became the court's final order. As described below, this case involved an election to approve the levy of a special tax within a community facilities district ("CFD") formed under the Act.

In 2017, the City of Sacramento initiated proceedings to form a CFD to finance certain costs to operate and maintain a streetcar line. As permitted by the Act, the proposed district included non-contiguous parcels of non-residential property. Because there were fewer than 12 registered voters residing within the territory of the proposed CFD, the City Council submitted the special tax proposed to be levied within the

proposed CFD to the owners of land within the proposed CFD, as required by the Act. The proposed special tax received the requisite two-thirds vote in the landowner election.

Petitioners Horizon Capital Investments, LLC et al. filed a writ of mandate and complaint for reverse validation and declaratory relief. Petitioners argued, and the superior court agreed in its final ruling, that under section 4(a) of article XIII A of the California Constitution (which provides that “Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district [sic], may impose special taxes on such district...” the phrase “qualified electors” means the registered voters of the entire City of Sacramento and not just the owners of the property within the boundaries of the proposed CFD. Citing the San Diego Decision, the tentative ruling states that the phrase “qualified electors of the district” refers to the registered voters of the entity imposing the special tax, which in this case was the City of Sacramento. Because the vote within the proposed CFD was by landowners only and not by all registered voters in the City of Sacramento, the final ruling states that the special tax is invalid.

The superior court’s final ruling is not binding upon other courts within the State and does not directly apply to the District, the Special Taxes, or the Bonds. The City of Sacramento did not appeal the superior court’s ruling.

The Special Tax Election in Improvement Area No. 11. With respect to the San Diego Decision, the facts of such case show that there were thousands of registered voters within the CCFD (*viz.*, all of the registered voters in San Diego). The elections held in Improvement Area No. 11 had less than 12 registered voters at the time of the election to authorize the Special Taxes. In the San Diego Decision, the court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the court’s holding in the San Diego Decision does not apply to the Special Tax election in Improvement Area No. 11. Moreover, Section 53341 of the Act provides that any “action or proceeding to attack, review, set aside, void or annul the levy of a special tax...shall be commenced within 30 days after the special tax is approved by the voters.” Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds. The petitioners in *Horizon* filed the writ of mandate within 30 days of the landowner election. Voters in Improvement Area No. 11 approved the Special Tax on February 12, 2019. Based on Sections 53341 and 53359 of the Act and analysis of existing laws, regulations, rulings and court decisions, the District believes that no successful challenge to the Special Tax being levied in accordance with the Rate and Method may now be brought. In connection with the issuance of the Bonds, Bond Counsel expects to deliver its opinion in the proposed form attached hereto as Appendix C.

Loss of Tax Exemption

As discussed under the caption “TAX EXEMPTION” herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City or the District in violation of covenants in the Indenture. Should such an event of taxability occur, the Bonds are not subject to a special redemption and will remain outstanding until maturity or until redeemed under one of the other redemption provisions contained in the Indenture.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is possible that subsequent to the issuance of the Bonds there might be federal, State, or local statutory changes (or judicial or regulatory interpretations of federal, State, or local law) that affect the federal, State, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur. See “TAX EXEMPTION” below.

Limitations on Remedies

Remedies available to the Owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws affecting generally the enforcement of creditor’s rights, by equitable principles and by the exercise of judicial discretion and by limitations on remedies against public agencies in the State of California. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds

Property owners within Improvement Area No. 11 are permitted to prepay their Special Taxes at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping community facilities district. Such prepayments will result in a redemption of the Bonds on the Interest Payment Date for which timely notice may be given under the Indenture following the receipt of the prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See the caption “THE BONDS — Redemption — *Special Mandatory Redemption from Special Tax Prepayments.*”

Cybersecurity

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. The City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the efforts of the City to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes and the Trustee. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Risks Associated with Bond Insurance

In the event that the District defaults in the payment of principal of or interest on the Insured Bonds when due, the Owners of such Bonds will have a claim under the Insurance Policy for such payments. See the caption “BOND INSURANCE.” In the event that the Bond Insurer becomes obligated to make payments on the Insured Bonds, no assurance can be given that such event will not adversely affect the market for the Insured Bonds. In the event that the Bond Insurer is unable to make payments of principal of or interest on the Insured Bonds when due under the Insurance Policy or the Bonds when due under the Reserve Policy, such Bonds will be payable solely from Special Taxes and amounts that are held in certain funds and accounts established under the Indenture, as described under the caption “SOURCES OF PAYMENT FOR THE BONDS.”

The long-term credit rating on the Insured Bonds is dependent in part on the financial strength of the Bond Insurer and its claims-paying ability. The Bond Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. If the long-term ratings of the Bond Insurer are lowered, such event could adversely affect the market for the Insured Bonds. See the caption "RATINGS."

None of the District, the City or the Underwriter has made an independent investigation of the claims-paying ability of the Bond Insurer, and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is being made by the District, the City or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Insured Bonds, potential investors should carefully consider the ability of the District to pay principal and interest on the Insured Bonds, assuming that the Insurance Policy is not available to pay principal and interest on such Bond Bonds, and the claims-paying ability of the Bond Insurer through final maturity of the Insured Bonds.

So long as the Insurance Policy remains in effect and the Bond Insurer is not in default of its obligations thereunder, the Bond Insurer has certain notice, consent and other rights under the Indenture and will have the right to control all remedies in the event of a default under the Indenture as to the Insured Bonds. The Bond Insurer is not required to obtain the consent of the Owners of the Insured Bonds with respect to the exercise of remedies. See Appendix G.

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Agreement by and between the District and Willdan Financial Services, as Dissemination Agent, in the form attached hereto as Appendix E for the benefit of the Owners and Beneficial Owners of the Bonds to provide Annual Reports and to provide notices of the Listed Events. The Annual Report will be filed by the Dissemination Agent with EMMA and notices of Listed Events will be filed by the Dissemination Agent with EMMA. The specific nature of the information to be included in the Annual Reports and the notices of Listed Events is set forth in Appendix E — "FORM OF CONTINUING DISCLOSURE AGREEMENT." The Continuing Disclosure Agreement will be executed and delivered by the District in order to assist the Underwriter in complying with the Rule. The Annual Reports are to be filed by the District no later than the March 1 after the end of the District's fiscal year, which is currently June 30. The first Annual Report will be due March 1, 2026.

The City Council of the City serves as the legislative body of the District and all of the city's community facilities districts. Within the past five years, the City and its affiliated entities have not failed to comply in all material respects with their respective previous undertakings with respect to the Rule to timely provide annual reports or notices of enumerated events.

The City has adopted policies and procedures with respect to its continuing disclosure practices.

The Continuing Disclosure Agreement will inure solely to the benefit of any Dissemination Agent, the Underwriter and Owners or Beneficial Owners from time to time of the Bonds. A default under the Continuing Disclosure Agreement is not a default under the Indenture and the sole remedy following a default is an action to compel specific performance by the District with the terms of the Continuing Disclosure Agreement.

TAX EXEMPTION

In the opinion of Rutan & Tucker, LLP, Irvine, California ("Bond Counsel"), based upon an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the

alternative minimum tax imposed on individuals; however, with respect to certain corporations, interest on the Bonds is included in determining adjusted financial statement income in order to compute alternative minimum tax for tax years beginning after December 31, 2022. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Bonds.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount” the accrual of which, to the extent property allocable to each Beneficial Owner thereof, is treated as interest on the Bonds, which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually. The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of the Bonds with original issue discount.

Bonds purchased, whether at original issuance or otherwise, from an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium property allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Internal Revenue Code of 1986, as amended, (the “Code”) imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District and the City have made certain representations and have covenanted to comply with certain restrictions designed to assure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in federal gross income, possibly from the date of issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after that date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Although Bond Counsel expects to render an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the Internal Revenue Service, including but not limited to regulation, ruling, or selection of the Bonds for audit examination, or the

course or result of any Internal Revenue Service examination of the Bonds, or obligations that present similar tax issues, will not affect the market price or liquidity of the Bonds.

The rights of the Beneficial Owners of the ones and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor's rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

See Appendix C — “FORM OF BOND COUNSEL OPINION” for a form of the opinion to be provided by Bond Counsel on the date of issuance of the Bonds.

LEGAL OPINION

Certain proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Rutan & Tucker, LLP, Irvine, California, Bond Counsel for the District in connection with the issuance of the Bonds. The opinion of Bond Counsel approving the validity of the Bonds substantially in the form attached as Appendix C hereto will be attached to each Bond. Bond Counsel's employment is limited to a review of legal procedures required for the approval of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation. Bond Counsel expresses no opinion to the Owners of the Bonds as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the Bonds and expressly disclaims any duty to do so.

Payment of the fees of Bond Counsel, the Underwriter and Underwriter's Counsel is contingent upon issuance of the Bonds.

ABSENCE OF LITIGATION

The District will certify at the time the Bonds are issued that no litigation is pending or threatened concerning the validity the Bonds and that no action, suit or proceeding is known by the District to be pending that would restrain or enjoin the delivery of the Bonds, or contest or affect the validity of the Bonds or any proceedings of the District taken with respect to the Bonds.

RATINGS

S&P Global Ratings, a Standard & Poor's Financial Services LLC business (“S&P”), is expected to assign the rating of “AA” to the Insured Bonds based upon the delivery of the Insurance Policy by the Bond Insurer at the time of issuance of the Insured Bonds. See “BOND INSURANCE” herein.

In addition, S&P has assigned its underlying rating of “A+” to the Bonds, independent of the delivery of the Insurance Policy. There is no assurance that any credit rating given to the Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Such ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained from S&P. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the City or the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

The District has covenanted in a Continuing Disclosure Agreement to file notices of any rating changes on the Bonds. See the caption “CONTINUING DISCLOSURE” and Appendix E. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change. Purchasers of the Bonds are directed to the rating agencies and their

respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

None of the City, the District or the Underwriter makes any representation as to the Bond Insurer's creditworthiness or any representation that the Bond Insurer's credit rating will be maintained in the future. The rating agencies have previously taken action to downgrade the ratings of certain municipal bond insurers and have published various releases outlining the processes that they intend to follow in evaluating the ratings of financial guarantors. For some financial guarantors, the result of such evaluations could be a rating affirmation, a change in rating outlook, a review for downgrade or a downgrade. Potential investors are directed to the rating agencies for additional information on the applicable rating agencies' evaluations of the financial guaranty industry and individual financial guarantors, including the Bond Insurer. See the caption "BOND INSURANCE" for further information relating to the Bond Insurer.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$ _____ (being the \$ _____ par amount of the Bonds, less an Underwriter's discount of \$ _____, plus net original issue premium of \$ _____). The Bond Purchase Agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter's compensation is contingent upon the successful issuance of the Bonds.

Under certain circumstances, the Underwriter may offer and sell the Bonds to certain dealers and others at prices lower or yields higher than those stated on the page immediately following the cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the City or the District and to persons and entities with relationships with the City or the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City or the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City or the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the City or the District.

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc. (the "Municipal Advisor"), has acted as Municipal Advisor to the District in conjunction with the issuance of the Bonds. The Municipal Advisor has assisted in matters related to the planning, structuring, execution, and delivery of the Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the Bonds. The Municipal Advisor has not audited,

authenticated, or otherwise independently verified the information set forth in this Official Statement, or any other related information available, with respect to accuracy and completeness of disclosure of such information. Because of this limited participation, the Municipal Advisor makes no guaranty, warranty, or other representation with respect to the accuracy or completeness of this Official Statement, or any other matter related to this Official Statement.

FINANCIAL INTERESTS

The fees being paid to the Underwriter and its counsel, Bond Counsel, the Municipal Advisor and the Trustee are contingent upon the issuance and delivery of the Bonds.

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the District.

CITY OF IRVINE COMMUNITY FACILITIES
DISTRICT NO. 2013-3 (GREAT PARK)

By: _____
Sean Crumby
City Manager

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APPENDIX A

RATE AND METHOD OF APPORTIONMENT FOR CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK) IMPROVEMENT AREA NO. 11

A Special Tax shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 11 of City of Irvine Community Facilities District No. 2013-3 (Great Park) ("CFD No. 2013-3 (IA No. 11)") and collected each Fiscal Year commencing in Fiscal Year 2019-2020, in an amount determined through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 2013-3 (IA No. 11), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the land area in acres of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area in acres shown on the applicable final map, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2013-3 (IA No. 11), including but not limited to: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2013-3 (IA No. 11) or any designee thereof of complying with arbitrage rebate requirements with respect to the Special Tax and CFD No. 2013-3 (IA No. 11) Bonds; the costs to the City, CFD No. 2013-3 (IA No. 11) or any designee thereof of complying with disclosure requirements of the City, CFD No. 2013-3 (IA No. 11) or obligated persons associated with applicable federal and state securities laws and the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2013-3 (IA No. 11) or any designee thereof related to an appeal of the Special Tax; the costs of the City, CFD No. 2013-3 (IA No. 11) or any designee thereof related to the recalculation of the Special Tax rates in accordance with Section C.1 below and the calculation of the One-Time Special Tax in accordance with Section D.3 below; the costs associated with the release of funds from an escrow account; and the City's annual administration fees and third party expenses related to CFD No. 2013-3 (IA No. 11) Bonds. Administrative Expenses shall also include amounts estimated by the CFD Administrator or advanced by the City or CFD No. 2013-3 (IA No. 11) for any other administrative purposes of CFD No. 2013-3 (IA No. 11), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Affordable Housing" means residential Dwelling Units, located on one or more Assessor's Parcels of Residential Property, that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City that restrict rents or prices chargeable to "lower income households" (as defined in California Health and Safety Code Section 50079.5 or any successor code section).

“Amended and Restated Development Agreement” means the Amended and Restated Development Agreement, dated December 27, 2010, by and among the City, the Developer, and the Irvine Redevelopment Agency, as it may be further amended.

“Annual Special Tax” or **“Annual Special Taxes”** means the special taxes that may be levied annually on one or more Assessor’s Parcel of Taxable Property within CFD No. 2013-3 (IA No. 11) pursuant to Section E of this Rate and Method of Apportionment at the rates set forth in Section C of this Rate and Method of Apportionment.

“Annual Special Tax Requirement” means the sum of the Developed Property Annual Special Tax Requirement, the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement, and the Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement.

“Assessor’s Parcel” means a lot or parcel to which an assessor’s parcel number is assigned as determined from an Assessor’s Parcel Map or the applicable assessment roll.

“Assessor’s Parcel Map” means an official map of the County Assessor of the County designating parcels by assessor’s parcel number.

“Attached Residential Property” means Assessor’s Parcels of Developed Property for which building permits have been issued for a Dwelling Unit that shares, or will share, an inside wall with another Dwelling Unit.

“Authorized Facilities” means the facilities authorized to be financed by CFD No. 2013-3.

“Authorized Services” means the services authorized to be financed by CFD No. 2013-3.

“Auto Center Property” means all Assessor’s Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which are, or are expected by the City to be, primarily used for selling automobiles, or for any other uses that are consistent with auto center land use designations as determined by the City.

“Bond Costs” means for all Subordinate CFD No. 2013-3 (IA No. 11) Bonds, all debt service payments, administrative expenses, and amounts required to establish or replenish any bond reserve funds, and any other use of Special Taxes for such bond issues required by the indenture, fiscal agent agreement, or other agreement governing the terms of such bond issue.

“Bond Index” means the national Bond Buyer Revenue Bond Index, commonly referenced as the 25 Bond Revenue Index. In the event the Bond Buyer Revenue Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody’s A1 and S&P’s A-plus, as reasonably determined by the CFD Administrator.

“Bond Yield” means the weighted average yield of Outstanding Bonds. For purposes of this calculation, the weighted average yield on Outstanding Bonds shall be the weighted average of the yield calculated for each series of Outstanding Bonds at the time such Outstanding Bonds were issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the tax certificate executed in connection with the issuance of such Outstanding Bonds.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Annual Special Tax Requirement and levying and collecting the Special Taxes.

“CFD No. 2013-3” means City of Irvine Community Facilities District No. 2013-3 (Great Park).

“CFD No. 2013-3 (IA No. 11)” means Improvement Area No. 11 of CFD No. 2013-3 as identified on the Boundary Map for CFD No. 2013-3 (IA No. 11) and further set forth in the Resolution of Formation.

“CFD No. 2013-3 (IA No. 11) Bonds” means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 2013-3 (IA No. 11) and secured by the Special Taxes levied on property within the boundaries of CFD No. 2013-3 (IA No. 11) under the Act.

“Church Property” means all Assessor’s Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which are, or are expected by the City to be, primarily used for a church sanctuary, synagogue or other such place of worship, which may or may not include associated buildings which are to be used for religious educational purposes, and which are exempt from taxation pursuant to Section 214 of the Revenue and Taxation Code of the State of California.

“City” means the City of Irvine.

“Commercial Property” means all Assessor’s Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which are, or are expected by the City to be, primarily used for the sale of general merchandise, hard goods, personal services, and other items directly to consumers, or other uses that are consistent with commercial land use designations, as determined by the City.

“Council” means the City Council of the City which serves at the legislative body of CFD No. 2013-3.

“County” means the County of Orange.

“Current CFD Buildout Plan” means the most recent land use plan identifying the projected buildout of all of CFD No. 2013-3, as proposed by the Developer and approved by the City, for purposes of projecting Annual Special Tax revenues for the entire CFD No. 2013-3 at buildout.

“Debt Service Coverage” means the debt service coverage percentage identified in the Indenture for Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds.

“Detached Residential Property” means Assessor’s Parcels of Developed Property for which building permits have been issued for a Dwelling Unit that is or is expected to be surrounded by freestanding walls and that does not share an inside wall with any other Dwelling Unit.

“Developed Property” means, for each Fiscal Year, all Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, for which a building permit for construction was issued after January 1, 2019 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Annual Special Taxes are being levied.

“Developed Property Annual Special Tax Requirement” means, for any Fiscal Year, the Maximum Annual Special Tax on Developed Property.

“Developer” means Heritage Fields El Toro LLC, a Delaware limited liability company, and its successors and assigns. The term “successors” does not refer to the successors to all or any portion of the property within CFD No. 2013-3 (IA No. 11) unless the new property owner receives an assignment of the “Master Developer” rights and obligations under the Amended and Restated Development Agreement.

“Discount Rate” means (i) prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, the Bond Index, and (ii) subsequent to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, the Bond Yield.

“Dwelling Unit” means one residential unit of any configuration, including, but not limited to, a single family attached or detached dwelling, condominium, apartment, mobile home, or otherwise.

“Final Mapped Property” means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property and Taxable Public Property, located in a Final Subdivision as of January 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, but no earlier than January 1, 2019.

“Final Mapped Property/Undeveloped Property Annual Special Tax Requirement” means that amount of Annual Special Taxes required, if any, in any Fiscal Year to (i) pay debt service on Outstanding Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for all CFD No. 2013-3 (IA No. 11) Bonds, (iii) pay for Administrative Expenses, (iv) pay for reasonably anticipated Annual Special Tax delinquencies based on the delinquency rate for the Annual Special Tax levied in the previous Fiscal Year, and (v) pay the Guaranteed Amount, less (vi) an amount equal to the Developed Property Annual Special Tax Requirement, less (vii) a credit for funds available to reduce the Annual Special Tax levy, as determined by the CFD Administrator, so long as the amount required is not less than zero.

“Final Subdivision” means a subdivision of property which occurred prior to January 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, by recordation of a final map, parcel map, or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.), or recordation of a condominium plan pursuant to California Civil Code Section 1352 that, in either case, creates individual lots for which building permits may be issued without further subdivision. Notwithstanding the above, a condominium plan for which one or more building permits have been issued but no individual lots have been created for such building permits, shall be considered a Final Subdivision, and the portion of the condominium plan for which building permits have been issued shall be defined as Developed Property.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Floor Area Ratio” means for Non-Residential – Commercial Property – 0.317; for Non-Residential – Industrial Property – 0.325; for Non-Residential – Institutional Property – 0.361; for Non-Residential – Office Property – 0.326; for Non-Residential – Auto Center – 0.084; and for Non-Residential – Other Non-Residential Property – 0.308.

“Guaranteed Amount” means, for any Fiscal Year, the lesser of (i) the Pro Rata Share for CFD No. 2013-3 (IA No. 11) of the annual amounts set forth in Exhibit B, or (ii) the sum of (a) the Pro Rata Share for CFD No. 2013-3 (IA No. 11) of the amount needed to finance Authorized Services described in the definition of “Authorized Services” in the Amended and Restated Development Agreement in such Fiscal Year as determined by the City, and (b) the Bond Costs associated with any Subordinate CFD No. 2013-3 (IA No. 11) Bonds issued on behalf of CFD No. 2013-3 (IA No. 11). The Guaranteed Amount collected in CFD No. 2013-3 (IA No. 11) may be used to finance Authorized Services described in the definition of “Authorized Services” in the Amended and Restated Development Agreement and to pay Bond Costs associated with Subordinate CFD No. 2013-3 (IA No. 11) Bonds issued on behalf of CFD No. 2013-3 (IA No. 11).

“Indenture” means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which CFD No. 2013-3 (IA No. 11) Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Industrial Property” means all Assessor’s Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which are, or are expected by the City to be, primarily used for manufacturing, production, research and development,

storage and/or processing of goods, or for any other uses that are consistent with industrial land use designations as determined by the City.

“Institutional Property” means all Assessor’s Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which are, or are expected by the City to be, primarily used for education, including libraries and museums, or for any other uses that are consistent with institutional land use designations, as determined by the City.

“Intermediate Maximum Annual Special Tax” means the intermediate Maximum Annual Special Tax, determined in accordance with Section C herein, that can be levied in any Fiscal Year on any Assessor’s Parcel of Final Mapped Property or Undeveloped Property.

“Land Use Class” means any of the classes listed in Table 1, Table 2 or Exhibit A, herein.

“Lowest Price Point” is defined in Section C.1. herein.

“Maximum Annual Special Tax” means the maximum Annual Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Moderate Affordable Senior Units” means Dwelling Units that are designed for, and restricted to, persons or couples of whom one member is age 55 or older that is located on one or more Assessor’s Parcels of Residential Property that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City providing affordable housing for households with incomes below 120% of the County median income (but not less than 80% of the County median income).

“Moderate Affordable Units” means Dwelling Units, other than Moderate Affordable Senior Units, that are located on one or more Assessor’s Parcels of Residential Property that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City providing affordable housing for households with incomes below 120% of the County median income (but not less than 80% of the County median income).

“Non-Residential Floor Area” means the total building square footage of the non-residential building(s) located on an Assessor’s Parcel, measured from outside wall to outside wall, not including space devoted to stairwells, public restrooms, lighted courts, vehicle parking and areas incident thereto, and mechanical equipment incidental to the operation of such building. The determination of Non-Residential Floor Area shall be made by reference to the building permit(s) issued for such Assessor’s Parcel and/or to the appropriate records kept by the City, as reasonably determined by the CFD Administrator.

“Non-Residential Property” means any and each Assessor’s Parcel of Developed Property for which a building permit permitting the construction of one or more non-residential units or facilities has been issued by the City, or other governmental agency, including, but not limited to, Church Property.

“Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds” means any issue(s) of CFD No. 2013-3 (IA No. 11) Bonds that are not Subordinate CFD No. 2013-3 (IA No. 11) Bonds.

“Office Property” means all Assessor’s Parcels of Developed Property for which a building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which are, or are expected by the City to be, primarily used for: professional/medical offices, or for any other uses that are consistent with office land use designations, as determined by the City.

“One Time Special Tax” means the one-time Special Tax to be levied pursuant to Section D of this Rate and Method of Apportionment.

“Other Non-Residential Property” means all Non-Residential Property, excluding Auto Center Property, Commercial Property, Industrial Property, Church Property, Institutional Property, and Office Property.

“Outstanding Bonds” means all Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds which are outstanding under an Indenture.

“Overlapping Liens” means, in connection with the recalculation of the Value Limitation pursuant to Section C.1. and within a Land Use Class of Residential Property, estimated *ad valorem* property taxes and all direct and overlapping assessments, taxes, special taxes, and charges on the secured tax-roll of the County for a parcel/unit of Taxable Property assuming that the value of that parcel/unit is equal to the Lowest Price Point for that Land Use Class as set forth in the consultant’s report described in Section C.1 on the date indicated in the consultant’s report, excluding however, the Annual Special Taxes that would be levied on such parcel/unit of the Lowest Price Point pursuant to this Rate and Method of Apportionment.

“Prepayable Portion of the Special Tax” shall have the meaning set forth in Section I of this Rate and Method of Apportionment.

“Pro Rata Share” means the ratio calculated by dividing the anticipated Maximum Annual Special Tax to be levied at build out of CFD No. 2013-3 (IA No. 11) by the anticipated Maximum Annual Special Tax to be levied at build out for all improvement areas within CFD No. 2013-3 based on the Current CFD Buildout Plan, excluding the Maximum Annual Special Taxes anticipated to be paid by Zone 2 in IA No. 3. So long as there are no CFD No. 2013-3 (IA No. 11) Bonds outstanding, the City shall recalculate the Pro Rata Share to reflect current development assumptions in connection with any change proceedings conducted in CFD No. 2013-3 and in connection with the amendment of Table 1 and/or Table 2 of the rate and method of apportionment for any improvement area of CFD No. 2013-3. Notwithstanding the foregoing, the City shall not recalculate the Pro Rata Share to incorporate any prepayments of the Prepayable Portion of the Special Tax.

“Property Owner Association Property” means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2013-3 (IA No. 11) for which the owner of record, as determined from the County Assessor’s secured tax roll for the Fiscal Year in which the Annual Special Tax is being levied, is a property owner’s association, including any master or sub-association, (ii) any property located in a Final Subdivision and which, as determined from such Final Subdivision, is or will be open space, a common area recreation facility, or a private street, or (iii) any property which, as of the May 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed to a property owner’s association, including any master or sub-association, provided such conveyance is submitted to the CFD Administrator by May 1 preceding the Fiscal Year for which the Annual Special Tax is being levied.

“Proportionately” means, for Developed Property, that the ratio of the actual Annual Special Tax levy to the Maximum Annual Special Tax is equal for all Assessor’s Parcels of Developed Property. For Final Mapped Property, “Proportionately” means that the ratio of the actual Annual Special Tax levy per acre to the Maximum Annual Special Tax per acre is equal for all Assessor’s Parcels of Final Mapped Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Annual Special Tax levy per acre to the Maximum Annual Special Tax per acre is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property as listed in Section E below. Notwithstanding the above, a disproportionate levy shall be permissible for any Assessor’s Parcels in CFD No. 2013-3 (IA No. 11) to cover any delinquencies by a property owner.

“Public Property” means, for each Fiscal Year, all property within the boundaries of CFD No. 2013-3 (IA No. 11) that (i) is owned by, irrevocably offered or dedicated to, or leased to, the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased or with respect to which a possessory interest has been granted to a non-exempt person or entity by any of the foregoing entities, then pursuant to Section 53340.1 of the Act, such leasehold or possessory interest shall be

taxed and classified according to its use, or (ii) is encumbered by a public easement making impractical its use for any purpose other than that set forth in the easement.

“Rate and Method of Apportionment” means this Rate and Method of Apportionment for CFD No. 2013-3 (IA No. 11).

“Residential Floor Area” means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area for an Assessor’s Parcel shall be made by reference to the building permit(s) issued for such Assessor’s Parcel.

“Residential Property” means any and each Assessor’s Parcel of Developed Property for which a building permit permitting the construction thereon of one or more residential Dwelling Units has been issued by the City, or other governmental agency, but specifically excluding Church Property.

“Resolution of Formation” means the resolution designating CFD No. 2013-3 (IA No. 11).

“Special Tax” or **“Special Taxes”** means, as the context requires either or both of the Annual Special Taxes and the One-Time Special Taxes that may be levied annually or only one-time, respectively, on one or more Assessor’s Parcels of Taxable Property within CFD No. 2013-3 (IA No. 11) pursuant to this Rate and Method of Apportionment.

“State” means the State of California.

“Subordinate CFD No. 2013-3 (IA No. 11) Bonds” means any CFD No. 2013-3 (IA No. 11) Bonds that are subordinate to any current or future CFD No. 2013-3 (IA No. 11) Bonds and that meet the requirements set forth in the Amended and Restated Development Agreement.

“Taxable Property” means, each Fiscal Year, all of the Assessor’s Parcels within the boundaries of CFD No. 2013-3 (IA No. 11) which are not exempt from the Special Tax pursuant to applicable law or Section F below, as of July 1st of that Fiscal Year.

“Taxable Property Owner Association Property” means all Assessor’s Parcels of Property Owner Association Property that are not exempt pursuant to Section F below.

“Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement” means, so long as the amount required is not less than zero, that amount of Annual Special Taxes required, if any, in any Fiscal Year to (i) pay debt service on the Outstanding Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for all CFD No. 2013-3 (IA No. 11) Bonds, (iii) pay for Administrative Expenses, and (iv) pay for reasonably anticipated Annual Special Tax delinquencies based on the delinquency rate for the Annual Special Tax levied in the previous Fiscal Year, less (v) an amount equal to the Developed Property Annual Special Tax Requirement, less (vi) the amount of the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement levied on Final Mapped Property and Undeveloped Property in such Fiscal Year, less (vii) a credit for funds available to reduce the Annual Special Tax levy, as determined by the CFD Administrator.

“Taxable Public Property” means all Assessor’s Parcels of Public Property that are not exempt pursuant to Section F below.

“Total Floor Area” means the sum of the Residential Floor Area plus the Non-Residential Floor Area located on an Assessor’s Parcel.

“**Trustee**” means the trustee or fiscal agent under the Indenture.

“**Undeveloped Property**” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Property Owner Association Property, or Taxable Public Property.

“**Value Limitation**” as recalculated separately for each Land Use Class at the time(s) set forth in Section C.1 means (i) the Annual Special Tax rate for a Land Use Class of Residential Property calculated as the difference between (A) the Lowest Price Point within such Land Use Class as determined by the third-party consultant in a report pursuant to Section C.1 herein multiplied by two percent (2%) and (B) the Overlapping Liens plus a sufficient amount to pay the assumed Irvine Ranch Water District assessments (to the extent not included within Overlapping Liens and subject to the limitations set forth in the Amended and Restated Development Agreement) for a residential unit assumed to have a value equal to the same Lowest Price Point used in subparagraph (A) above, as calculated by the CFD Administrator; (ii) that the amount of the Annual Special Tax rates for each Non-Residential Property Land Use Class identified in Table 1 and expressed as an amount per square foot of Non-Residential Floor Area, shall not exceed the product of (a) one and one hundred thirty-nine thousandths percent (1.139%) and (b) the per square foot value of land (as determined by the third-party appraisal described in Section C.1) located within CFD No. 2013-3 (IA No. 11) for each Non-Residential Property Land Use Class, divided by the Floor Area Ratio for the applicable Land Use Class; and (iii) that the amount of the Annual Special Tax rates for each Non-Residential Property Land Use Class set forth in Table 1 herein and expressed as an amount per Acre, shall not exceed the product of (a) the amount per square foot of Non-Residential Floor Area calculated in (ii) above for each Non-Residential Property Land Use Class, (b) the Floor Area Ratio for the applicable Land Use Class, and (c) 43,560.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2013-3 (IA No. 11) shall be classified as Developed Property, Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property, and shall be subject to Annual Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and E herein.

C. MAXIMUM ANNUAL SPECIAL TAX RATE

1. Annual Special Tax

Residential Property shall be assigned to Land Use Classes 1 through 30 as listed in Table 1 herein based on the description and the Residential Floor Area for each Dwelling Unit as designated in Table 1. Non-Residential Property shall be assigned to Land Use Classes 31 through 36. Prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, the Maximum Annual Special Tax rates for Residential Property and the Maximum Annual Special Tax rates for Non-Residential Property (set forth in Table 1) shall be reduced in accordance with, and subject to, the conditions set forth in this Section C.1, without the need for any proceedings to make changes permitted under the Act.

Upon the earlier of (i) one hundred twenty (120) calendar days before the projected execution date of a bond purchase agreement for the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds as determined by the City, or (ii) the written request of the Developer submitted to the City within two hundred and seventy (270) calendar days before the projected date of issuance of the first building permit permitting the construction of a non-model residential building for a Land Use Class within CFD No. 2013-3 (IA No. 11), a third-party consultant selected by the City shall be engaged (within thirty days after the applicable trigger date) to determine (A) the expected base (i.e., without any optional upgrades included) sales prices of the residential units within each Land Use Class based upon the anticipated base sales prices to end users at the time of calculation and (B) from those expected base sales prices, the lowest base sales price within such Land Use Class (hereafter referred to as the “Lowest Price Point”). If the City determines that the Lowest Price Point for a Land Use Class is equal to or greater than the price point that was used to establish the Maximum Annual

Special Tax rates for such Land Use Class shown in Table 1, then there shall be no recalculation of the Maximum Annual Special Tax rates for such Land Use Class. If, however, the City determines that the Lowest Price Point for a Land Use Class is less than the price point that was used to establish the Maximum Annual Special Tax rates for such Land Use Class shown in Table 1, then the Maximum Annual Special Tax rate for Residential Property in such Land Use Class (as reflected in Table 1) shall be reduced to the amount necessary to comply with its recalculated Value Limitation. The reduction shall occur within thirty (30) calendar days of the completion of the third-party consultant's report.

Upon the earlier of (i) one hundred and twenty (120) calendar days before the projected execution date of a bond purchase agreement for the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds as determined by the City, or (ii) the written request of the Developer submitted to the City within two hundred and seventy (270) calendar days before the projected date of issuance of the first building permit permitting the construction of a non-residential building for a Land Use Class within CFD No. 2013-3 (IA No. 11), a third-party appraiser selected by the City shall be engaged (within thirty days after the applicable trigger date) to determine the value of the Non-Residential Property within each Land Use Class at the time of calculation. Based upon the report of the appraiser, if the City so determines that the per square foot and per Acre Maximum Annual Special Tax rates, as reflected in Table 1 herein, exceed the recalculated Value Limitation for Non-Residential Property for a Land Use Class, then the per square foot and per Acre Maximum Annual Special Tax rates for such Non-Residential Property Land Use Class (as reflected in Table 1) that exceeds its recalculated Value Limitation shall be reduced to the amount necessary to comply with its recalculated Value Limitation, provided, however, that the Maximum Annual Special Tax rates for Non-Residential Property do not fall below \$0.416 per square foot of Non-Residential Floor Area. The reduction shall occur within thirty (30) calendar days of the completion of the third-party appraiser's report.

Notwithstanding the above, if, and to the extent, the recalculation of the Maximum Annual Special Tax rates for Residential Property and per square foot and per Acre Maximum Annual Special Tax rates for Non-Residential Property are triggered by the projected issuance of a building permit, the recalculation(s) shall only be completed for those Land Use Classes for which a building permit is expected to be issued within 270 days. If, and to the extent, the recalculation of the Maximum Annual Special Tax rates for Residential Property and per square foot and per Acre Maximum Annual Special Tax rates for Non-Residential Property are triggered by the projected execution of a bond purchase agreement within 120 days as determined by the City, the recalculation(s) shall be completed for all Land Use Classes within CFD No. 2013-3 (IA No. 11) that have not previously experienced a reduction in their Maximum Annual Special Tax rates (for Residential Property) or their Maximum Annual Special Tax rates (for Non-Residential Property).

Each Maximum Annual Special Tax rate reduction for a Land Use Class pursuant to this Section C.1, shall be calculated separately, as reasonably determined by the CFD Administrator, without regard to Maximum Annual Special Tax rate reductions that may be applicable to another Land Use Class, and it shall not be required that a reduction in the Maximum Annual Special Tax rate for one Land Use Class be proportionate to reductions in Maximum Annual Special Tax rates for any other Land Use Class. If the Maximum Annual Special Tax rates for a Land Use Class do not require reduction as set forth in this Section C.1, then those Maximum Annual Special Tax rates set forth in Table 1 shall not be reduced irrespective of any reductions made to other Maximum Annual Special Tax rates. The reductions required pursuant to this Section C.1 shall be reflected in an amended notice of special tax lien which the City shall cause to be recorded by executing a certificate in substantially the form attached herein as Exhibit A.

The Value Limitation does not limit the Maximum Annual Special Tax rates set forth in Table 1 that are levied against Taxable Property unless a recalculation of the Maximum Annual Special Tax rates is required by this Section C.1.

(a) **Developed Property**

(i) **Maximum Annual Special Tax**

The Maximum Annual Special Tax that may be levied and escalated as explained further in Section C.1.(a)(ii) below in any Fiscal Year for each Assessor's Parcel classified as Developed Property is shown below in Table 1.

TABLE 1

**Maximum Annual Special Tax for Developed Property
Improvement Area No. 11 of CFD No. 2013-3
Fiscal Year 2019-2020**

Land Use Class	Description	Maximum Annual Special Tax
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	\$21,197 per Dwelling Unit
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	\$20,343 per Dwelling Unit
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	\$19,488 per Dwelling Unit
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF - 5,199 SF)	\$18,634 per Dwelling Unit
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	\$17,778 per Dwelling Unit
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	\$16,922 per Dwelling Unit
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	\$16,068 per Dwelling Unit
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	\$15,223 per Dwelling Unit
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	\$14,731 per Dwelling Unit
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	\$14,327 per Dwelling Unit
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	\$12,830 per Dwelling Unit
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	\$11,896 per Dwelling Unit
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	\$11,106 per Dwelling Unit
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	\$10,125 per Dwelling Unit
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	\$9,228 per Dwelling Unit
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	\$8,545 per Dwelling Unit
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	\$7,621 per Dwelling Unit
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	\$7,522 per Dwelling Unit
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	\$8,687 per Dwelling Unit
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF – 2,599 SF)	\$8,157 per Dwelling Unit
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF – 2,399 SF)	\$7,627 per Dwelling Unit
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF – 2,199 SF)	\$7,098 per Dwelling Unit
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF – 1,999 SF)	\$6,567 per Dwelling Unit
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF – 1,799 SF)	\$6,169 per Dwelling Unit
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF – 1,599 SF)	\$5,693 per Dwelling Unit
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF – 1,399 SF)	\$4,978 per Dwelling Unit
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF – 1,199 SF)	\$4,448 per Dwelling Unit
28	ATTACHED RESIDENTIAL PROPERTY (800 SF – 999 SF)	\$3,918 per Dwelling Unit

Land Use Class	Description	Maximum Annual Special Tax
29	ATTACHED RESIDENTIAL PROPERTY (< 800 SF)	\$3,786 per Dwelling Unit
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	\$0 per Dwelling Unit
31	NON-RESIDENTIAL – COMMERCIAL PROPERTY	\$1.68 per square foot of Non-Residential Floor Area, or \$23,326 per Acre, when applied, whichever is greater
32	NON-RESIDENTIAL – INDUSTRIAL PROPERTY	\$1.68 per square foot of Non-Residential Floor Area, or \$23,914 per Acre, when applied, whichever is greater
33	NON-RESIDENTIAL – INSTITUTIONAL PROPERTY	\$1.68 per square foot of Non-Residential Floor Area, or \$26,563 per Acre, when applied, whichever is greater
34	NON-RESIDENTIAL – OFFICE PROPERTY	\$1.68 per square foot of Non-Residential Floor Area, or \$23,988 per Acre, when applied, whichever is greater
35	NON-RESIDENTIAL – AUTO CENTER	\$5.66 per square foot of Non-Residential Floor Area, or \$20,684 per Acre, when applied, whichever is greater
36	OTHER NON-RESIDENTIAL PROPERTY	\$1.68 per square foot of Non-Residential Floor Area, or \$23,563 per Acre, when applied, whichever is greater

(ii) Increase in the Maximum Annual Special Tax

The Fiscal Year 2019-2020 Maximum Annual Special Tax, identified in Table 1 above, as such Table may be amended and restated in full pursuant to this Rate and Method of Apportionment, shall increase thereafter (i) commencing on July 1, 2020 and on July 1 of each Fiscal Year thereafter through the Fiscal Year in which the fortieth anniversary of the date on which the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds were issued occurs, by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year; and (ii) commencing in the Fiscal Year following the fortieth anniversary of the date on which the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds were issued, by an amount equal to three percent (3%) of the Maximum Annual Special Tax as determined following the partial termination of the Special Tax as set forth in Section J, and on July 1 of each Fiscal Year thereafter by an amount equal to three percent (3%) of the amount in effect for the previous Fiscal Year.

(iii) Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Annual Special Taxes levied on an Assessor's Parcel shall be the sum of the Maximum Annual Special Taxes for all Land Use Classes located on that Assessor's Parcel. If an Assessor's Parcel of Developed Property includes both Residential Property and Non-Residential

Property, the Acreage to be assigned to the Non-Residential Property for purposes of establishing the Annual Special Tax shall equal the total Acreage of the Assessor's Parcel multiplied by the Non-Residential Floor Area on the Assessor's Parcel, the product of which shall be divided by Total Floor Area on the Assessor's Parcel. Furthermore, for a condominium plan, if only a portion of its building permits have been issued, the remaining portion of the condominium plan shall be considered Final Mapped Property. The CFD Administrator's allocation to each type of property shall be final.

(b) Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property

(i) Intermediate Maximum Annual Special Tax

The Fiscal Year 2019-2020 Intermediate Maximum Annual Special Tax for each Assessor's Parcel of Final Mapped Property and Undeveloped Property shall be \$77,933 per Acre, and shall increase thereafter, commencing on July 1, 2020 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Intermediate Maximum Annual Special Tax for the previous Fiscal Year.

(ii) Maximum Annual Special Tax

The Fiscal Year 2019-2020 Maximum Annual Special Tax for each Assessor's Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be \$122,250 per Acre, and shall increase thereafter, commencing on July 1, 2020 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Maximum Annual Special Tax for the previous Fiscal Year.

D. ONE-TIME SPECIAL TAX

All of the requirements of this Section D, which describes the One-Time Special Tax that may result from a change in development as determined pursuant to this Section D, shall only apply after the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, with the exception of disclosure-related requirements discussed under Section D.6, which apply both before and after the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds. The provisions of this Section D shall not be impacted by the issuance of any Subordinate CFD No. 2013-3 (IA No. 11) Bonds.

The following additional definitions apply to this Section D:

“Authorized Bonded Indebtedness” means \$155,000,000.

“Bond Issuance Development Phase Table” means a table, to be included herein as Table 2, which is prepared by the CFD Administrator after the submittal of a Bond Issuance Development Plan. Within the Bond Issuance Development Phase Table, each existing or prospective building permit for Residential Property shall be assigned to Land Use Classes 1 through 30 for each Development Phase, and each existing or prospective building permit of Non-Residential Property shall be assigned to Land Use Classes 31 through 36 for each Development Phase. If no Development Phases have been identified in the Bond Issuance Development Plan, such Dwelling Units and Non-Residential Property shall be listed by Land Use Classes for the entire CFD No. 2013-3 (IA No. 11).

“Bond Issuance Development Plan” means a development plan for CFD No. 2013-3 (IA No. 11) (i) submitted by the Developer immediately prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, and (ii) approved by the CFD Administrator, as updated for each subsequent series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds. The Bond Issuance Development Plan shall identify the number of Dwelling Units and the Land Use Class for each existing or anticipated Dwelling Unit

in each Development Phase, and if applicable, identify the existing or anticipated Non-Residential Property Acreage and Non-Residential Floor Area, if available, by Land Use Class anticipated to be constructed within each Development Phase. If no Development Phases have been identified in the Development Plan, such Dwelling Units, Acreage and Non-Residential Floor Area shall be listed by Land Use Classes for the entire CFD No. 2013-3 (IA No. 11).

“City Building and Safety Division” means the building and safety division of the City’s Community Development Department.

“Compliance Letter” means a letter from the CFD Administrator notifying the property owner that (i) no One-Time Special Tax is due for the anticipated Residential Property and/or Non-Residential Property listed in the Compliance Letter, or (ii) any One-Time Special Tax that was due for the Residential Property and/or Non-Residential Property listed in the Compliance Letter has been paid in full by the property owner. However, the terms of a Compliance Letter only apply (A) if the building permits actually issued for such Residential Property reflect numbers of Dwelling Units and Land Use Classes that are identical to those listed in the Compliance Letter, and (B) if the building permits actually issued for such Non-Residential Property reflect Land Use Classes, Non-Residential Floor Area and Acreage, that are identical to those listed in the Compliance Letter.

“Development Phase” means a tract map, planning area, or geographic area representing an expected construction phase planned to be developed by one or more merchant builders at the time the Bond Issuance Development Plan is submitted by the Developer and approved by the CFD Administrator. A Development Plan shall designate the geographic area included within each Development Phase by Assessor’s Parcels or tract and lot numbers.

“IA No. 11 Buildout” means the completion of all proposed development in IA No. 11, as proposed by the Developer and approved by the City.

“Maximum One-Time Special Tax” means the maximum One-Time Special Tax, determined in accordance with Section D, which can be levied on an Assessor’s Parcel and collected by the One-Time Special Tax Payment Date.

“Non-Compliant Property” means an Assessor’s Parcel of Pending Property that generates a need for a One-Time Special Tax as calculated under Section D.3.

“One-Time Special Tax Account” means the funds or accounts (regardless of their names) identified in the Indenture to hold all or a portion of the payments of the One-Time Special Tax received from property owners within CFD No. 2013-3 (IA No. 11).

“One-Time Special Tax Payment Date” means, for an Assessor’s Parcel, the later of (i) 30 days after the date of the bill distributed by the CFD Administrator requesting the payment of a One-Time Special Tax, or (ii) 30 days after the issuance of a building permit.

“Pending Development” means Projected Residential Property and Projected Non-Residential Property for which (i) a Compliance Letter has been requested, (ii) building permits have recently been issued that were located on Assessor’s Parcels that were not included in a previously-issued Compliance Letter, or (iii) building permits have recently been issued for Assessor’s Parcels that were included in a previously-issued Compliance Letter that has been nullified pursuant to Section D.1., because the Projected Residential Property and Projected Non-Residential Property delineated in the actual building permits for such Assessor’s Parcels are not consistent with the development listed in the previously-issued Compliance Letter.

“Projected Non-Residential Property” means anticipated Non-Residential Property for which the CFD Administrator has not yet determined whether or not a One-Time Special Tax shall be levied, or for which such determination has been nullified pursuant to Section D.1.

“Projected Residential Property” means anticipated Dwelling Units of Residential Property for which the CFD Administrator has not yet determined whether or not a One-Time Special Tax shall be levied, or for which such determination has been nullified pursuant to Section D.1.

“Total Assumed Annual Special Taxes” means the total estimated Annual Special Taxes that would be levied at IA No. 11 Buildout, assuming the construction of 918 Dwelling Units, and shall be calculated by dividing the Bond Authorization by twenty-one (21). This defined term shall only be used for purposes of calculating a Maximum One-Time Maximum Special Tax under Section D.6, and shall not be employed in the actual calculation of a One-Time Special Tax for an Assessor’s Parcel.

“Total Expected Non-Residential Property Acreage” means the total amount of Acreage of Non-Residential Property expected to be developed in each Development Phase based on the Bond Issuance Development Plan, or if no Development Phases have been identified, for the entire CFD No. 2013-3 (IA No. 11).

“Total Number of Expected Dwelling Units” means the total number of Dwelling Units expected to be constructed in each Development Phase based on the Bond Issuance Development Plan, or if no Development Phases have been identified, for the entire CFD No. 2013-3 (IA No. 11).

“Update Property” means an Assessor’s Parcel of Final Mapped Property or Undeveloped Property for which a building permit was issued after May 1 of the Fiscal Year preceding the current Fiscal Year.

“Updated Development Phase Table” means a table prepared by the CFD Administrator reflecting the existing Residential Property and Non-Residential Property and the Projected Residential Property and Non-Residential Property to be constructed in a Development Phase, as revised pursuant to Section D.3.

1. Development Utilizing Optional Compliance Letter

(a) Property Owner Request for Compliance Letter

(i) Residential Property

After the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, a property owner may, prior to the issuance of a building permit for construction of any Residential Property for a specific Assessor’s Parcel, tract or lot, request a Compliance Letter from the CFD Administrator to determine whether or not such property owner will be required to pay a One-Time Special Tax. The request from the property owner shall contain a list of all Residential Property for which the property owner is requesting a Compliance Letter, and shall identify the Development Phase(s), if any, within which the Residential Property is expected by the property owner to be located. The property owner shall also submit the Assessor’s Parcel or tract and lot numbers on which the Residential Property is to be constructed, and the Land Use Class for each residential Dwelling Unit associated with the Residential Property.

(ii) Non-Residential Property

After the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, a property owner may, prior to the issuance of a building permit for construction of any Non-Residential Property for a specific Assessor’s Parcel, tract, or lot, request a Compliance Letter from the CFD Administrator to determine whether or not such property owner will be

required to pay a One-Time Special Tax. The request from the property owner shall contain the final map, parcel map, or lot line adjustment for which the property owner is requesting a Compliance Letter, as well as identify the Development Phase(s) within which the Non-Residential Property is expected by the property owner to be located. The property owner shall also submit the Assessor's Parcel or tract and lot numbers on which the Non-Residential Property is to be constructed, the Non-Residential Floor Area and Acreage for such Assessor's Parcel or tract and lot numbers, and the Land Use Class into which such development should be assigned.

(b) Issuance of Compliance Letter

(i) Residential Property

The number of residential Dwelling Units by Land Use Class in each Development Phase, if any, as listed in the Bond Issuance Development Phase Table, shall be reviewed by the CFD Administrator upon the receipt of a request from a property owner for a Compliance Letter. The CFD Administrator shall assign each Dwelling Unit identified in such request to Land Use Classes 1 through 30 for the applicable Development Phase within which such Dwelling Unit is to be located. If the CFD Administrator determines for Land Use Classes 1-30 that (i) the number of Dwelling Units of Projected Residential Property being requested for a specific Land Use Class in a Development Phase, plus those Dwelling Units previously identified and approved by the CFD Administrator as belonging to such Land Use Class in that Development Phase, does not exceed the Total Number of Expected Dwelling Units for that Land Use Class as listed in the Bond Issuance Development Phase Table for that Development Phase, and (ii) the total number of Dwelling Units anticipated to be constructed in the Development Phase as a result of this request is not less than the Total Number of Expected Dwelling Units reflected in the Bond Issuance Development Phase Table for that Development Phase, then a Compliance Letter shall be awarded to the property owner stating that no One-Time Special Tax shall be levied on the Projected Residential Property in the specific Land Use Classes proposed in the request from the property owner. This Compliance Letter shall be forwarded to the property owner by the CFD Administrator and shall list, by Land Use Class and Assessor's Parcel, the Residential Property that shall be exempt from the One-Time Special Tax.

However, should the CFD Administrator determine that (i) the number of Dwelling Units of Projected Residential Property being requested for a specific Land Use Class in the Development Phase, plus those Dwelling Units previously identified and approved by the CFD Administrator as belonging to such Land Use Class in the Development Phase, cause the total number of such Dwelling Units to exceed the Total Number of Expected Dwelling Units for that Land Use Class as listed in the Bond Issuance Development Phase Table for that Development Phase, or (ii) the total number of Dwelling Units anticipated to be constructed in the entire Development Phase as a result of the request would decrease the number of Dwelling Units to be constructed to below the Total Number of Expected Dwelling Units for the entire Development Phase reflected in the Bond Issuance Development Phase Table, then a Compliance Letter shall not be issued prior to the CFD Administrator determining if a One-Time Special Tax shall be required.

The CFD Administrator shall monitor the issuance of building permits by the City within CFD No. 2013-3 (IA No. 11) on a weekly basis prior to IA No. 11 Buildout. If a property owner receives a Compliance Letter for Residential Property that is Pending Development and should that property owner be issued a building permit to construct a building that is not consistent with the Projected Residential Property listed in the Compliance Letter, such Compliance Letter shall be nullified, and a new review of such Residential Property shall be

conducted by the CFD Administrator, as called for under Section D.2, below, based on the development identified on the building permit.

(ii) Non-Residential Property

The amount of Non-Residential Property Acreage and Non-Residential Floor Area by Land Use Class in each Development Phase, if any, as listed in the Bond Issuance Development Phase Table, shall be reviewed by the CFD Administrator upon the receipt of a request from a property owner for a Compliance Letter. The CFD Administrator shall assign each Acre of Non-Residential Property identified in such request to Land Use Classes 31 through 36 in the applicable Development Phase within which such Acreage and Non-Residential Floor Area is to be located. If the CFD Administrator determines for Land Use Classes 31-36 that (i) the amount of Non-Residential Property Acreage being requested for a specific Land Use Class in a Development Phase, plus the Non-Residential Property Acreage previously identified and approved by the CFD Administrator as belonging to such Land Use Class in the Development Phase, does not exceed the Total Expected Non-Residential Property Acreage for that Land Use Class as listed in the Bond Issuance Development Phase Table for that Development Phase, and (ii) the total amount of Non-Residential Property Acreage anticipated to be constructed in the entire Development Phase as a result of the request is not less than the Total Expected Non-Residential Property Acreage reflected in the Bond Issuance Development Phase Table for that Development Phase, then a Compliance Letter shall be awarded to the property owner stating that no One-Time Special Tax shall be levied on the Projected Non-Residential Property in the specific Land Use Classes proposed in the request from the property owner. This One-Time Special Tax Compliance Letter shall be forwarded to the property owner by the CFD Administrator listing, by Land Use Class and Assessor's Parcel, the Non-Residential Property that shall be exempt from the One-Time Special Tax.

However, should the CFD Administrator determine that (i) the amount of Non-Residential Property Acreage being requested for such Land Use Class in the Development Phase, plus the Non-Residential Property Acreage previously identified and approved by the CFD Administrator as belonging to such Land Use Class in the Development Phase, cause the total amount of Non-Residential Property Acreage to exceed the Total Expected Non-Residential Property Acreage for that Land Use Class as listed in the Bond Issuance Development Phase Table for that Development Phase, or (ii) the total amount of Non-Residential Property Acreage anticipated to be constructed for the entire Development Phase as a result of the request would decrease the amount of Non-Residential Property Acreage to be constructed to below the Total Expected Non-Residential Property Acreage for the entire Development Phase reflected in the Bond Issuance Development Phase Table, then a Compliance Letter shall not be issued prior to the CFD Administrator determining if a One-Time Special Tax shall be required.

The CFD Administrator shall monitor the issuance of building permits by the City within CFD No. 2013-3 (IA No. 11) on a weekly basis prior to IA No. 11 Buildout. If a property owner receives a Compliance Letter for the development of Non-Residential Property that is Pending Development, and should that property owner be issued a building permit to construct a building that is not consistent with the Projected Non-Residential Property listed in the Compliance Letter, such Compliance Letter shall be nullified, and a new review of such Non-Residential Property shall be conducted by the CFD Administrator, as called for under Section D.2., below, based on the development identified on the building permit.

2. Development Not Utilizing Optional Compliance Letter

(a) Residential Property

After the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, the CFD Administrator shall, no less frequently than once each week prior to IA No. 11 Buildout, obtain from the City Building and Safety Division a list of building permits for Residential Property within CFD No. 2013-3 (IA No. 11) that have been issued during the period since the CFD Administrator last obtained such building permit information. The CFD Administrator shall determine those building permit issuances for which Compliance Letters have not already been issued, and shall identify the Assessor's Parcels or tract and lot numbers on which the construction that is the subject of such permit issuances is taking place, and the Development Phase and Land Use Class for each Dwelling Unit that is Pending Development. Such determination shall be completed within 15 days of the CFD Administrator's obtaining the building permit data from the City Building Department.

If the CFD Administrator determines for Land Use Classes 1-30 that (i) the number of Dwelling Units for which building permits have been issued for a specific Land Use Class in a Development Phase, plus those Dwelling Units previously identified and approved by the CFD Administrator as belonging to such Land Use Class in the Development Phase, does not exceed the Total Number of Expected Dwelling Units for that Land Use Class as listed in the Bond Issuance Development Phase Table for that Development Phase, and (ii) the total number of Dwelling Units anticipated to be constructed in the Development Phase as a result of these building permits, as provided by the Developer and approved by the City, is not less than the Total Number of Expected Dwelling Units reflected in the Bond Issuance Development Phase Table for that Development Phase, then no One-Time Special Tax shall be levied on the Assessor's Parcels or lots on which such development is occurring.

However, should the CFD Administrator determine that (i) the Dwelling Units for such Land Use Class included in these building permits for a Development Phase, plus those previously identified and approved by the CFD Administrator as belonging to such Land Use Class in the Development Phase, cause the total number of such Dwelling Units to exceed the Total Number of Expected Dwelling Units for that Land Use Class as listed in the Bond Issuance Development Phase Table for that Development Phase, or (ii) the total number of Dwelling Units anticipated to be constructed in the entire Development Phase as a result of the request would decrease the number of Dwelling Units to be constructed to below the Total Number of Expected Dwelling Units for the entire Development Phase reflected in the Bond Issuance Development Phase Table, then the CFD Administrator shall undertake the calculations listed under this Section D to determine whether or not a One-Time Special Tax shall be levied on this Residential Property.

(b) Non-Residential Property

After the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, the CFD Administrator shall, no less frequently than once each week, obtain from the City Building and Safety Division a list of the building permits for Non-Residential Property within CFD No. 2013-3 (IA No. 11) that have been issued during the period since the CFD Administrator last obtained such building permit information. The CFD Administrator shall determine those building permit issuances for which Compliance Letters have not already been issued, and shall identify the Assessor's Parcels or tract and lot numbers on which the construction that is the subject of such permit issuances is taking place, and the Land Use Class for the Non-Residential Property that is Pending Development. Such determination

shall be completed within 15 days of the CFD Administrator's obtaining the building permit data from the City Building Department.

The CFD Administrator shall assign the Acreage of Non-Residential Property being requested to Land Use Classes 31 through 36 in the applicable Development Phase within which such Non-Residential Property Acreage is to be located based on the type of use. If the CFD Administrator determines for Land Use Classes 31-36 that (i) the amount of Non-Residential Property Acreage associated with a building permit for a specific Land Use Class in a Development Phase, plus the Non-Residential Property Acreage previously identified and approved by the CFD Administrator as belonging to such Land Use Class in the Development Phase, does not exceed the Total Expected Non-Residential Property Acreage for that Land Use Class as listed in the Bond Issuance Development Phase Table, and (ii) the total amount of Non-Residential Property Acreage anticipated to be constructed in the entire Development Phase as a result of the building permit, as submitted by the Developer and approved by the City, is not less than the Total Expected Non-Residential Property Acreage reflected in the Bond Issuance Development Phase Table for the Development Phase, then no One-Time Special Tax shall be levied on such Non-Residential Property.

However, should the CFD Administrator determine that (i) the Non-Residential Property Acreage for such Land Use Class included in this building permit in a Development Phase, plus the Non-Residential Property Acreage previously identified and approved by the CFD Administrator as belonging to such Land Use Class in the Development Phase, cause the total Non-Residential Property Acreage to exceed the Total Expected Non-Residential Property Acreage for that Land Use Class as listed in the Bond Issuance Development Phase Table for the Development Phase, or (ii) the total Non-Residential Property Acreage anticipated to be constructed in the entire Development Phase as a result of this building permit would decrease the amount of Non-Residential Property Acreage to be constructed to below the Total Expected Non-Residential Property Acreage for the entire Development Phase reflected in the Bond Issuance Development Phase Table, then the CFD Administrator shall undertake the calculations listed under this Section D to determine whether or not a One-Time Special Tax shall be levied on this Non-Residential Property.

TABLE 2**BOND ISSUANCE DEVELOPMENT PHASE TABLE**

**Expected Residential Dwelling Units and Non-Residential Property Acreage per Land Use Class
Improvement Area No. 11 of CFD No. 2013-3**

Land Use Class	Description	Expected Residential Dwelling Units/ Non-Residential Property Acreage						
		Develop. Phase 1	Develop. Phase 2	Develop. Phase 3	Develop. Phase 4	Develop. Phase 5	Develop. Phase 6	Develop. Phase 7
1	DETACHED RESIDENTIAL (=> 5,700 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
2	DETACHED RESIDENTIAL (5,450 SF - 5,699 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
3	DETACHED RESIDENTIAL (5,200 SF - 5,449 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
4	DETACHED RESIDENTIAL (4,950 SF - 5,199 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
5	DETACHED RESIDENTIAL (4,700 SF - 4,949 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
6	DETACHED RESIDENTIAL (4,450 SF - 4,699 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
7	DETACHED RESIDENTIAL (4,200 SF - 4,449 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
8	DETACHED RESIDENTIAL (3,950 SF - 4,199 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
9	DETACHED RESIDENTIAL (3,700 SF - 3,949 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
10	DETACHED RESIDENTIAL (3,450 SF - 3,699 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
11	DETACHED RESIDENTIAL (3,200 SF - 3,449 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
12	DETACHED RESIDENTIAL (2,950 SF - 3,199 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
13	DETACHED RESIDENTIAL (2,700 SF - 2,949 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
14	DETACHED RESIDENTIAL (2,450 SF - 2,699 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
15	DETACHED RESIDENTIAL (2,200 SF - 2,449 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
16	DETACHED RESIDENTIAL (1,950 SF - 2,199 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
17	DETACHED RESIDENTIAL (1,700 SF - 1,949 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
18	DETACHED RESIDENTIAL (< 1,700 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
19	ATTACHED RESIDENTIAL (=> 2,600 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
20	ATTACHED RESIDENTIAL (2,400 SF – 2,599 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
21	ATTACHED RESIDENTIAL (2,200 SF – 2,399 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Land Use Class	Description	Expected Residential Dwelling Units/ Non-Residential Property Acreage						
		Develop. Phase 1	Develop. Phase 2	Develop. Phase 3	Develop. Phase 4	Develop. Phase 5	Develop. Phase 6	Develop. Phase 7
22	ATTACHED RESIDENTIAL (2,000 SF – 2,199 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
23	ATTACHED RESIDENTIAL (1,800 SF – 1,999 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
24	ATTACHED RESIDENTIAL (1,600 SF – 1,799 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
25	ATTACHED RESIDENTIAL (1,400 SF – 1,599 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
26	ATTACHED RESIDENTIAL (1,200 SF – 1,399 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
27	ATTACHED RESIDENTIAL (1,000 SF – 1,199 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
28	ATTACHED RESIDENTIAL (800 SF – 999 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
29	ATTACHED RESIDENTIAL (< 800 SF)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	TOTAL NUMBER OF EXPECTED DWELLING UNITS (LAND USE CLASSES 1-30)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
31	NON-RESIDENTIAL – COMMERCIAL PROPERTY	TBD	TBD	TBD	TBD	TBD	TBD	TBD
32	NON-RESIDENTIAL– INDUSTRIAL PROPERTY	TBD	TBD	TBD	TBD	TBD	TBD	TBD
33	NON-RESIDENTIAL– INSTITUTIONAL PROPERTY	TBD	TBD	TBD	TBD	TBD	TBD	TBD
34	NON-RESIDENTIAL – OFFICE PROPERTY	TBD	TBD	TBD	TBD	TBD	TBD	TBD
35	NON-RESIDENTIAL – AUTO CENTER	TBD	TBD	TBD	TBD	TBD	TBD	TBD
36	OTHER NON-RESIDENTIAL PROPERTY	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	TOTAL EXPECTED NON-RESIDENTIAL PROPERTY ACREAGE/FLOOR AREA (LAND USE CLASSES 31-36)	TBD	TBD	TBD	TBD	TBD	TBD	TBD

3. Calculation of One-Time Special Tax

If a One-Time Special Tax calculation is required as determined by the CFD Administrator pursuant to Section D.1 or Section D.2., for any Pending Development, the CFD Administrator shall review the Bond Issuance Development Phase Table with respect to the applicable Development Phase(s) in consultation with the current property owner(s) for all remaining Final Mapped Property and Undeveloped Property within such Development Phase, and shall prepare an Updated Development Phase Table identifying the revised number of Dwelling Units and/or the amount of Non-Residential Property Acreage anticipated within each Land Use Class for that Development Phase. If no Development Phases are included in the Bond Issuance Development Phase Table, such analysis shall be applied to the entire CFD No. 2013-3 (IA No. 11), as shall the analyses cited throughout this Section D.3. The CFD Administrator shall not be responsible for any delays in preparing the Updated Development Phase Table that result from a refusal on the part of one or more current property owners of Final Mapped Property or Undeveloped Property within the applicable Development Phase to provide information on their future development. If such a refusal on the part of one or more current property owners persists for more than 14 days, the CFD Administrator shall rely on the Residential Property and/or Non-Residential Property identified in the Bond Issuance Development Phase Table for the Final Mapped Property and/or Undeveloped Property within the applicable Development Phase.

The CFD Administrator shall then review the Updated Development Phase Table and determine the One-Time Special Tax, if any, to be levied on the applicable Assessor's Parcels of Pending Development being analyzed. The calculations shall be undertaken by the CFD Administrator, based on the data in the applicable Updated Development Phase Table, as follows:

- Step 1. Compute the sum of the Annual Special Tax revenues authorized to be levied on all Developed Property and Update Property within the applicable Development Phase, plus the sum of the Annual Special Tax revenues authorized to be levied on all future development within the applicable Development Phase as identified in the Updated Development Phase Table assuming IA No. 11 Buildout, as determined by the CFD Administrator in consultation with the property owner(s).
- Step 2. Determine the Annual Special Tax revenues expected to be generated by the applicable Development Phase based on the Bond Issuance Development Phase Table.
- Step 3. If the total sum computed pursuant to Step 1 is greater than or equal to the amount computed pursuant to Step 2, then no One-Time Special Tax shall be required and a Compliance Letter shall be awarded to the property owner by the CFD Administrator for all Pending Development. If the total sum computed pursuant to Step 1 is less than the amount computed pursuant to Step 2, subtract the amount computed pursuant to Step 1 from the amount computed pursuant to Step 2 (hereinafter called the "Remaining Amount"), then continue to Step 4.
- Step 4. Determine the Annual Special Tax revenues expected to be generated by all Development Phases based on the Bond Issuance Development Phase Table.
- Step 5. Multiply the amount of Outstanding Bonds by a fraction, the numerator of which is the Remaining Amount computed for such Development Phase in Step 3, and the denominator of which is the amount computed for all Development Phases in Step 4. The result is the amount of Outstanding Bonds that can be supported by the shortfall computed pursuant to Step 3. Round up the amount determined under this Step 5 to the nearest increment of \$5,000 to compute the amount of Outstanding Bonds to be redeemed.
- Step 6. Multiply the amount computed pursuant to Step 5 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

- Step 7. Compute the amount needed to pay interest on the amount computed pursuant to Step 5 from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest possible redemption date for the Outstanding Bonds, and subtract therefrom the estimated amount of interest earnings to be derived from the reinvestment of the amounts computed pursuant to Step 5 and Step 6 until such redemption.
- Step 8. Determine all of the administrative costs associated with implementing the One-Time Special Tax, including the costs of computation of the One-Time Special Tax, the costs to invest the One-Time Special Tax proceeds and the costs of redeeming Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds.
- Step 9. A reserve fund credit shall be determined. The credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as specified in the Indenture), if any, associated with the redemption of Outstanding Bonds with proceeds of the One-Time Special Tax, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds with proceeds of the One-Time Special Tax from the balance in the reserve fund on the determination date of the One-Time Special Tax, but in no event shall such amount be less than zero. No reserve fund credit shall be granted if the amount then on deposit in the reserve fund for the Outstanding Bonds is below 100% of the reserve requirement (as defined in the Indenture).
- Step 10. The One-Time Special Tax is equal to the sum of the amounts computed pursuant to Steps 5, 6, 7 and 8, less the credit computed pursuant to Step 9.

4. Billing and Collection of One-Time Special Tax

The One-Time Special Tax for any Development Phase, as calculated above, shall be levied by means of direct billing of the owners of the Assessor's Parcels for all Pending Development in that Development Phase that has been found to be Non-Compliant Property. The total One-Time Special Taxes required as a result of an Assessor's Parcel of Non-Compliant Property shall be divided proportionately among all of the Pending Development owned by the property owner of such Assessor's Parcel, based on the relative amount of Annual Special Taxes to be levied on and applied to the Assessor's Parcels of Pending Development owned by such property owner in the next Fiscal Year. The resulting One-Time Special Tax levied on each Assessor's Parcel of Pending Development owned by such property owner shall have the same priority and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property. CFD No. 2013-3 (IA No. 11) shall effect the levy of the One-Time Special Tax in accordance with the ordinance of the City levying the Special Taxes.

The CFD Administrator shall prepare a bill for the One-Time Special Tax payable with respect to each Assessor's Parcel of Pending Development and shall send such bill to the property owner of such parcel by United States first-class mail, postage prepaid. Said bill shall be so mailed no later than five business days after the date of the calculation, and shall be dated as of the date of such mailing. The One-Time Special Tax shall be due and payable upon the One-Time Special Tax Payment Date. The ownership and billing address for each such Assessor's Parcel shall be ascertained from the records of the Assessor of the County. Each such bill shall state the amount of the One-Time Special Tax payable, the One-Time Special Tax Payment Date, and shall inform the property owner that, if such One-Time Special Tax is not paid by such date, penalties and interest will begin to accrue, foreclosure proceedings may be initiated and a lis pendens may be recorded against the Assessor's Parcel until the One-Time Special Tax is paid.

5. Term; Exemptions

The One-Time Special Tax shall terminate and no longer be levied or collected pursuant to this Rate and Method of Apportionment on the date that is the later of (i) the Fiscal Year immediately following the fortieth

anniversary of the date on which the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds were sold or (ii) Fiscal Year 2059-2060. Property exempt from the levy of the Special Taxes by law or pursuant to the provisions of Section F, below, shall also be exempt from the levy of the One-Time Special Tax.

6. Maximum One-Time Special Tax Disclosure

While the actual One-Time Special Tax shall be calculated based on the methodology delineated in Sections D.1, D.2, and D.3, above, Section 53321(d) of the California Government Code requires that a rate and method of apportionment allow a property owner to estimate the maximum special taxes that could potentially be levied on its property. The Maximum One-Time Special Tax for an Assessor's Parcel may be estimated by utilizing the following methodology:

(a) Residential Property

- Step 1. Divide the Annual Special Tax rate listed in Table 1 for a Dwelling Unit in Land Use Class 1 by the Total Assumed Annual Special Taxes.
- Step 2. Multiply the quotient resulting from Step 1 by the Authorized Bonded Indebtedness. The product of these two numbers is the Maximum One-Time Special Tax for a Dwelling Unit of Residential Property in CFD No. 2013-3 (IA No. 11).

(b) Non-Residential Property

- Step 1. Divide the Annual Special Tax rate listed in Table 1 on an Acreage or on a projected Non-Residential Floor Area basis, whichever is greater, for the Land Use Class in which the Non-Residential Property belongs, by the Total Assumed Annual Special Taxes.
- Step 2. Multiply the quotient resulting from Step 1 by the Authorized Bonded Indebtedness. The product of these two numbers is the Maximum One-Time Special Tax on an Acreage or a Non-Residential Floor Area basis for Non-Residential Property in CFD No. 2013-3 (IA No. 11).

E. METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX

1. Annual Levy

Commencing with Fiscal Year 2019-2020 and for each following Fiscal Year, the Council shall levy the Annual Special Tax as follows:

First: The Annual Special Tax shall be levied on each Assessor's Parcel of Developed Property in an amount equal to 100% of the applicable Maximum Annual Special Tax for Developed Property.

Second: Determine the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement and Proportionately levy the Annual Special Tax on each Assessor's Parcel of Final Mapped Property until the amount levied on Final Mapped Property is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement, or (ii) 100% of the Intermediate Maximum Annual Special Tax for Final Mapped Property.

Third: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement after the first two steps have been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property until the amount levied on Undeveloped Property is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Annual Special Tax

Requirement less the amount levied pursuant to the second step above, or (ii) 100% of the Intermediate Maximum Annual Special Tax for Undeveloped Property.

Fourth: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement after the first three steps have been completed, then the Annual Special Tax levy on each Assessor's Parcel of Final Mapped Property and Undeveloped Property shall be increased in equal percentages from the Intermediate Maximum Annual Special Tax up to 100% of the Maximum Annual Special Tax for Final Mapped Property and Undeveloped Property until the Final Mapped Property/Undeveloped Property Annual Special Tax Requirement is satisfied.

Fifth: Determine the Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement and Proportionately levy the Annual Special Tax on each Assessor's Parcel of Taxable Property Owner Association Property until the amount levied on Taxable Property Owner Association Property is equal to the lesser of (i) the Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement or (ii) 100% of the Maximum Annual Special Tax for Taxable Property Owner Association Property.

Sixth: If additional monies are needed to satisfy the Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement after the fifth step has been completed, then the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property until the amount levied on Taxable Public Property is equal to the lesser of (i) the Taxable Property Owner Association Property/Taxable Public Property Annual Special Tax Requirement less the amount levied pursuant to the fifth step above, or (ii) 100% of the Maximum Annual Special Tax for Taxable Public Property.

F. EXEMPTIONS

No Special Tax shall be levied on up to (i) 20.83 Acres of Property Owner Association Property in CFD No. 2013-3 (IA No. 11), (ii) 33.48 Acres of Public Property in CFD No. 2013-3 (IA No. 11), and (iii) 0 Acres of Church Property in CFD No. 2013-3 (IA No. 11). No Special Tax shall be levied on Affordable Housing, Moderate Affordable Units, and Moderate Affordable Senior Units provided that the number of such Dwelling Units in CFD No. 2013-3 (IA No. 11) does not cause the total of such Dwelling Units within CFD No. 2013-3 to exceed 1,048 Dwelling Units. Once 1,048 Dwelling Units have been assigned to these three categories, all additional Affordable Housing, Moderate Affordable Units, and Moderate Affordable Senior Units Dwelling Units shall be subject to the Special Tax Rates assigned to comparable-sized market rate Dwelling Units, as listed in Table 1. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in CFD No. 2013-3 (IA No. 11) becomes Public Property, Property Owner Association Property, Church Property, Affordable Housing, Moderate Affordable Units, or Moderate Affordable Senior Units. However, should an Assessor's Parcel no longer be classified as Public Property, Property Owner Association Property, Church Property, Affordable Housing, Moderate Affordable Units, or Moderate Affordable Senior Units, it will, from that point forward, be subject to the Special Tax.

Property Owner Association Property or Public Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Annual Special Tax (as well as the One-Time Special Tax) and shall be taxed Proportionately as part of the fifth step and sixth step in Section E above, respectively, at up to 100% of the applicable Maximum Annual Special Tax for Taxable Property Owner Association Property or Taxable Public Property.

Church Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Annual Special Tax (as well as the One-Time Special Tax) and shall be taxed Proportionately as Other Non-Residential Property in Section E above, at up to 100% of the applicable Maximum Annual Special Tax for Other Non-Residential Property.

Affordable Housing, Moderate Affordable Units, and Moderate Affordable Senior Units that are not exempt from the Special Tax under this section shall be subject to the levy of the Annual Special Tax (as well as the One-Time Special Tax) and shall be taxed Proportionately as Residential Property in Section E above, at up to 100% of the applicable Maximum Annual Special Tax for the applicable Land Use Class 1-29, based on whether the Dwelling Unit is attached or detached and its square footage.

Notwithstanding the foregoing paragraphs, prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, if an Assessor's Parcel subject to the Special Tax becomes Public Property, the Assessor's Parcel shall be deemed Exempt Property and shall be exempt from the levy of the Special Tax so long as such Assessor's Parcel remains Public Property.

Assessor's Parcels or Units that are exempt from the levy of the Annual Special Tax under this Section F are also exempt from the payment of any One-Time Special Taxes.

G. MANNER OF COLLECTION

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the City, through the CFD Administrator may (i) directly bill the Annual Special Tax (as well as the One-Time Special Tax), and/or may collect Special Taxes at a different time or in a different manner if necessary to meet financial obligations or as otherwise required herein and (ii) may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels. All direct billings shall be due within 30 days of the billing date.

H. APPEALS AND INTERPRETATIONS

Any landowner who feels that the amount of the Special Tax levied on their Assessor's Parcel is in error may submit a written appeal to the CFD Administrator. The CFD Administrator shall review the appeal and if the City concurs, a refund shall be provided that is consistent with statutory requirements in the Revenue and Taxation Code. The CFD Administrator may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner appeals.

I. PREPAYMENT OF ANNUAL SPECIAL TAX

Under this Rate and Method of Apportionment, an Assessor's Parcel within CFD No. 2013-3 (IA No. 11) is permitted to prepay a portion of the Maximum Annual Special Tax (the "Prepayable Portion of the Annual Special Tax"). The obligation of the Assessor's Parcel to pay the Prepayable Portion of the Annual Special Tax may be fully or partially prepaid and permanently satisfied as described herein, provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a building permit for construction has been issued after January 1, 2019, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to fully or partially prepay the Prepayable Portion of the Annual Special Tax shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge such owner a reasonable fee for providing this service. If there are Outstanding Bonds, prepayment must be made not less than 30 days prior to a date that notice of redemption of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds from the proceeds of such prepayment must be given by the Trustee pursuant to the Indenture. No portion of the Maximum Annual Special Tax other than the Prepayable Portion of the Annual Special Tax may be prepaid. Only Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds may be redeemed as the result of any prepayment in this Section I Prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, the percentages identified in Section I (in connection with the calculation of the Prepayable Portion of the Residential Property Annual Special Tax and the Prepayable Portion of the Non-Residential Property

Annual Special Tax) and Section J may be changed to reflect changes in development, without the need for any proceedings to make changes permitted under the Act.

1. Full Prepayment of the Prepayable Portion of the Annual Special Tax

The full Prepayment Amount of the Prepayable Portion of the Annual Special Tax shall be the Prepayment Amount identified in Section (a) below, for Residential Property, and the Prepayment Amount identified in Section (b) below for Non-Residential Property.

(a) Residential Property

As of the proposed date of prepayment, the full Prepayment Amount for Residential Property Annual Special Taxes shall be determined by application of the following steps:

- Step 1. Determine the number of future years remaining until the Fiscal Year in which the fortieth anniversary of the date on which the first issue of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Annual Special Tax being levied in the current Fiscal Year on the Assessor's Parcel prepaying the Annual Special Tax (under the assumption that the Assessor's Parcel is Developed Property).
- Step 3. Multiply the Maximum Annual Special Tax calculated pursuant to Step 2 by 76.90% (the "Prepayable Portion of the Residential Property Annual Special Tax").
- Step 4. Determine the amount of Annual Special Tax levied in the current Fiscal Year on such Assessor's Parcel which has not yet been paid and multiply this amount by 76.90%.
- Step 5. The Prepayment Amount determined under this Section (a) shall be computed by calculating the sum of the following: (i) the net present value of the flow of annual revenues from the Prepayable Portion of the Residential Property Annual Special Tax as determined under Step 3, for the number of years identified in Step 1, escalated annually by 2.0%, using a discount rate equal to the Discount Rate; and (ii) the unpaid current Fiscal Year's Prepayable Portion of the Residential Property Annual Special Tax as determined under Step 4 (collectively, the "Prepayment Amount").

(b) Non-Residential Property

As of the proposed date of prepayment, the full Prepayment Amount for Non-Residential Property Annual Special Taxes shall be determined by application of the following steps:

- Step 1. Determine the number of future years remaining until the Fiscal Year in which the fortieth anniversary of the date on which the first issue of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Annual Special Tax being levied in the current Fiscal Year on the Assessor's Parcel prepaying the Annual Special Tax (under the assumption that the Assessor's Parcel is Developed Property).
- Step 3. Multiply the Maximum Annual Special Tax calculated pursuant to Step 2 by 78.71% (the "Prepayable Portion of the Non-Residential Annual Special Tax").

Step 4. Determine the amount of Annual Special Tax levied in the current Fiscal Year on such Assessor's Parcel which has not yet been paid and multiply this amount by 78.71%.

Step 5. The Prepayment Amount determined under this Section (b) shall be computed by calculating the sum of the following: (i) the net present value of the flow of annual revenues from the Prepayable Portion of the Non-Residential Annual Special Tax as determined under Step 3, for the number of years identified in Step 1, escalated annually by 2.0%, using a discount rate equal to the Discount Rate; and (ii) the unpaid current Fiscal Year's Prepayable Portion of the Non-Residential Annual Special Tax as determined under Step 4 (collectively, the "Prepayment Amount").

2. Partial Prepayment of the Prepayable Portion of the Special Tax

The amount of the partial prepayment shall be calculated as in Section I.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = PE \times F$$

These terms have the following meaning:

- PP = the Partial Prepayment Amount of the Prepayable Portion of the Annual Special Tax
PE = the Prepayment Amount of the Prepayable Portion of the Annual Special Tax calculated according to Section I.1.(a) (for Residential Property) or Section I.1.(b) (for Non-Residential Property).
F = the percentage, expressed as a decimal, by which the owner of the Assessor's Parcel is partially prepaying the Prepayable Portion of the Annual Special Tax.

3. General Provisions Applicable to Prepayment

(a) Use of Prepayments

Subsequent to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, the Prepayment Amount of the Prepayable Portion of the Annual Special Tax shall be applied in the following order of priority: (i) to be deposited into specific funds established under the Indenture, to fully or partially retire as many Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds as possible, and, if amounts are less than \$5,000, to make debt service payments on the Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, (ii) to finance Group A Facilities and/or Group B Facilities, as identified in the Amended and Restated Development Agreement, and (iii) to be remitted to the City and used for any Authorized Facilities or Authorized Services in accordance with the Amended and Restated Development Agreement. Prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, the Prepayment Amount of the Prepayable Portion of the Annual Special Tax shall be applied in the following order of priority: (i) to finance Group A and/or Group B Facilities, as identified in the Amended and Restated Development Agreement, and (ii) to be remitted to the City and used for any Authorized Facilities or Authorized Services in accordance with the Amended and Restated Development Agreement.

(b) Full Prepayment of the Prepayable Portion of the Special Tax

Upon confirmation of the payment of the current Fiscal Year's entire Prepayable Portion of the Annual Special Tax, the CFD Administrator shall remove the current Fiscal Year's Prepayable Portion of the Annual Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid in accordance with Section I.1, the CFD Administrator shall indicate in the records of CFD No. 2013-3 (IA No. 11) that there has been a prepayment of the

Prepayable Portion of the Annual Special Tax and that a portion of the Maximum Annual Special Tax with respect to such Assessor's Parcel, equal to 23.10% of the Maximum Annual Special Tax for Residential Property and 21.29% of the Maximum Annual Special Tax for Non-Residential Property, shall continue to be levied on such Assessor's Parcel pursuant to Section E.

(c) Partial Prepayment of the Prepayable Portion of the Special Tax

Upon confirmation of the payment of a portion of the current Fiscal Year's Prepayable Portion of the Annual Special Tax, the CFD Administrator shall remove a portion of the current Fiscal Year's Prepayable Portion of the Annual Special Tax levy for such Assessor's Parcel from the County tax rolls equal to that amount included in the partial prepayment for such Assessor's Parcel determined in Section I.2. With respect to any Assessor's Parcel that is partially prepaid in accordance with Section I.2, the CFD Administrator shall indicate in the records of CFD No. 2013-3 (IA No. 11) that there has been a partial prepayment of the Prepayable Portion of the Annual Special Tax and that a portion of the Maximum Annual Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage $[1.00 - (.7690 \times F)]$ multiplied by the Maximum Annual Special Tax for Residential Property and $[1.00 - (.7871 \times F)]$ multiplied by the Maximum Annual Special Tax for Non-Residential Property shall continue to be levied on such Assessor's Parcel pursuant to Section E.

(d) Debt Service Coverage

Notwithstanding the foregoing, no prepayment of the Prepayable Portion of the Annual Special Tax shall be allowed unless, at the time of such proposed prepayment, the Annual Special Tax that may be levied on Taxable Property within CFD No. 2013-3 (IA No. 11) in all Fiscal Years (after excluding 20.83 Acres of Property Owner Association Property, 33.48 Acres of Public Property, 0 Acres of Church Property, and the expected number of Affordable Property, Moderate Affordable Units, and Moderate Affordable Senior Units that will be Exempt Property in CFD No. 2013-3 (IA No. 11) as set forth in Section F), both prior to and after the proposed prepayment, is at least equal to the Debt Service Coverage times the debt service necessary to support the remaining Outstanding Bonds.

J. TERM OF ANNUAL SPECIAL TAX

84.59% of the Maximum Annual Special Tax on Residential Property and 86.58% of the Maximum Annual Special Tax on Non-Residential Property shall terminate and no longer be levied or collected pursuant to this Rate and Method of Apportionment on the date that is the later of (i) the Fiscal Year immediately following the fortieth anniversary of the date on which the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds were sold or (ii) Fiscal Year 2059-2060. The remaining portion of the Annual Special Tax for both Residential Property and Non-Residential Property shall be levied into perpetuity.

Prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 11) Bonds, the termination percentages listed immediately above may be changed to reflect changes in development, without the need for any proceedings to make changes permitted under the Act.

K. NO EXTENSION OR MODIFICATION OF AMENDED AND RESTATED DEVELOPMENT AGREEMENT

Notwithstanding any reference to the Amended and Restated Development Agreement, nothing herein shall incorporate extensions to or modifications of the Amended and Restated Development Agreement in to the Rate and Method of Apportionment.

EXHIBIT A

CERTIFICATE TO AMEND ANNUAL SPECIAL TAX

CITY OF IRVINE AND CFD No. 2013-3 (IA No. 11) CERTIFICATE

1. Pursuant to Section C of the Rate and Method of Apportionment, as attached to the Notice of Special Tax Lien, recorded in the Official Records of the County of Orange as Instrument No. XXXXXX on MM/DD/YYYY, the City of Irvine (“City”) and City of Irvine Community Facilities District No. 2013-3 (“CFD No. 2013-3 (IA No. 11)”) hereby reduces some or all of the Maximum Annual Special Taxes for Residential Property or the Special Taxes for Non-Residential Property set forth in Table 1 of the Rate and Method of Apportionment for CFD No. 2013-3 (IA No. 11).

The information in Table 1 relating to the Fiscal Year 2019-2020 Maximum Annual Special Tax for Developed Property within CFD No. 2013-3 (IA No. 11) shall be amended and restated in full as follows:

Land Use Class	Description	Maximum Special Tax
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	\$[_____] per Dwelling Unit
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	\$[_____] per Dwelling Unit
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	\$[_____] per Dwelling Unit
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF - 5,199 SF)	\$[_____] per Dwelling Unit
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	\$[_____] per Dwelling Unit
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	\$[_____] per Dwelling Unit
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	\$[_____] per Dwelling Unit
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	\$[_____] per Dwelling Unit
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	\$[_____] per Dwelling Unit
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	\$[_____] per Dwelling Unit
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	\$[_____] per Dwelling Unit
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	\$[_____] per Dwelling Unit
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	\$[_____] per Dwelling Unit
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	\$[_____] per Dwelling Unit
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	\$[_____] per Dwelling Unit
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	\$[_____] per Dwelling Unit
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	\$[_____] per Dwelling Unit
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	\$[_____] per Dwelling Unit
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	\$[_____] per Dwelling Unit
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF – 2,599 SF)	\$[_____] per Dwelling Unit
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF – 2,399 SF)	\$[_____] per Dwelling Unit

Land Use Class	Description	Maximum Special Tax
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF – 2,199 SF)	\$[_____] per Dwelling Unit
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF – 1,999 SF)	\$[_____] per Dwelling Unit
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF – 1,799 SF)	\$[_____] per Dwelling Unit
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF – 1,599 SF)	\$[_____] per Dwelling Unit
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF – 1,399 SF)	\$[_____] per Dwelling Unit
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF – 1,199 SF)	\$[_____] per Dwelling Unit
28	ATTACHED RESIDENTIAL PROPERTY (800 SF – 999 SF)	\$[_____] per Dwelling Unit
29	ATTACHED RESIDENTIAL PROPERTY (< 800 SF)	\$[_____] per Dwelling Unit
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	\$0 per Dwelling Unit
31	NON-RESIDENTIAL - COMMERCIAL PROPERTY	\$__ per square foot of Non-residential floor area or \$__ per Acre, when applied, whichever is greater
32	NON-RESIDENTIAL– INDUSTRIAL PROPERTY	\$__ per square foot of Non-residential floor area or \$__ per Acre, when applied, whichever is greater
33	NON-RESIDENTIAL– INSTITUTIONAL PROPERTY	\$__ per square foot of Non-residential floor area or \$__ per Acre, when applied, whichever is greater
34	NON-RESIDENTIAL – OFFICE PROPERTY	\$__ per square foot of Non-residential floor area or \$__ per Acre, when applied, whichever is greater
35	NON-RESIDENTIAL – AUTO CENTER	\$__ per square foot of Non-residential floor area or \$__ per Acre, when applied, whichever is greater
36	OTHER NON-RESIDENTIAL PROPERTY	\$__ per square foot of Non-residential floor area or \$__ per Acre, when applied, whichever is greater

2. Upon execution of the certificate by the City and CFD No. 2013-3 (IA No. 11), the City shall cause an amended notice of special tax lien for CFD No. 2013-3 (IA No. 11) to be recorded reflecting the modifications set forth herein.

By execution hereof, the undersigned acknowledges, on behalf of the County and CFD No. 2013-3 (IA No. 11), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CITY OF IRVINE

By: _____
Director of Financial Management &
Strategic Planning

Date: _____

CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3

By: _____
CFD Administrator

Date: _____

EXHIBIT B

ANNUAL GUARANTEED AMOUNTS FOR CFD No. 2013-3

Fiscal Year	Amount
2019-2020	\$10,692,334
Each Fiscal Year Thereafter, Commencing in Fiscal Year 2020-2021	Increase Amount in Prior Fiscal Year by 3%.

**AMENDMENT TO ANNUAL SPECIAL TAX OF THE
RATE AND METHOD OF APPORTIONMENT
IMPROVEMENT AREA NO. 11**

CERTIFICATE TO AMEND ANNUAL SPECIAL TAX

CITY OF IRVINE AND CFD NO. 2013-3 (IA NO. 11) CERTIFICATE

1. Pursuant to Section C of the Rate and Method of Apportionment, as attached to the Notice of Special Tax Lien, recorded in the Official Records of the County of Orange as Instrument No. 2020000254849 on 06/05/2020, the City of Irvine ("City") and City of Irvine Community Facilities District No. 2013-3 ("CFD No. 2013-3 (IA No. 11)") hereby reduces some or all of the Maximum Annual Special Taxes for Residential Property or the Special Taxes for Non-Residential Property set forth in Table 1 of the Rate and Method of Apportionment for CFD No. 2013-3 (IA No. 11).

The information in Table 1 relating to the Maximum Annual Special Tax for Developed Property within CFD No. 2013-3 (IA No. 11) shall be amended and restated in full as follows:

Land Use Class	Description	Maximum Annual Special Tax (Fiscal Year 2022-2023)
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	\$18,441 per Dwelling Unit
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	\$17,995 per Dwelling Unit
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	\$17,334 per Dwelling Unit
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF -- 5,199 SF)	\$16,896 per Dwelling Unit
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	\$16,235 per Dwelling Unit
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	\$15,789 per Dwelling Unit
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	\$15,128 per Dwelling Unit
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	\$14,690 per Dwelling Unit
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	\$14,028 per Dwelling Unit
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	\$13,582 per Dwelling Unit
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	\$12,513 per Dwelling Unit
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	\$11,982 per Dwelling Unit
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	\$11,142 per Dwelling Unit
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	\$10,350 per Dwelling Unit
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	\$8,857 per Dwelling Unit
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	\$8,479 per Dwelling Unit
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	\$8,087 per Dwelling Unit
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	\$7,386 per Dwelling Unit
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	\$8,838 per Dwelling Unit
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF - 2,599 SF)	\$7,410 per Dwelling Unit
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF-2,399 SF)	\$7,410 per Dwelling Unit

Land Use Class	Description	Maximum Annual Special Tax (Fiscal Year 2022-2023)
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF-2,199 SF)	\$7,125 per Dwelling Unit
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF-1,999 SF)	\$6,968 per Dwelling Unit
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF - 1,799 SF)	\$6,546 per Dwelling Unit
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF - 1,599 SF)	\$6,041 per Dwelling Unit
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF - 1,399 SF)	\$5,282 per Dwelling Unit
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF - 1,199 SF)	\$4,720 per Dwelling Unit
28	ATTACHED RESIDENTIAL PROPERTY (800 SF-999 SF)	\$4,157 per Dwelling Unit
29	ATTACHED RESIDENTIAL PROPERTY (-- 800 SF)	\$4,017 per Dwelling Unit
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	\$0 per Dwelling Unit
31	NON-RESIDENTIAL - COMMERCIAL PROPERTY	\$1.78 per square foot of Non Residential Floor Area or \$24,753 per Acre, when applied, whichever is greater
32	NON-RESIDENTIAL - INDUSTRIAL PROPERTY	\$1.78 per square foot of Non-Residential Floor Area or \$24,377 per Acre, when applied, whichever is greater
33	NON-RESIDENTIAL - INSTITUTIONAL PROPERTY	\$1.78 per square foot of Non-Residential Floor Area or \$28,188 per Acre, when applied, whichever is greater
34	NON-RESIDENTIAL - OFFICE PROPERTY	\$1.78 per square foot of Non-Residential Floor Area or \$25,456 per Acre, when applied, whichever is greater
35	NON-RESIDENTIAL - AUTO CENTER	\$6.00 per square foot of Non Residential Floor Area or \$21,950 per Acre, when applied, whichever is greater
36	OTHER NON-RESIDENTIAL PROPERTY	\$1.78 per square foot of Non Residential Floor Area or \$24,051 per Acre, when applied, whichever is greater

APPENDIX B

DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF ORANGE AND THE CITY OF IRVINE

The Bonds are not obligations of the City of Irvine (the “City”) or the County of Orange (the “County”) and do not represent a lien or charge against any funds or property of the City or the County. The following information is provided only to give prospective investors an overview of the general economic condition of the City, the County and the State of California (the “State”).

General

Irvine is a master-planned city in South Orange County, California, United States, in the Los Angeles metropolitan area. The Irvine Company started developing the area in the 1960s and the city was formally incorporated on December 28, 1971. The 66-square-mile (170 km²) city is where a number of corporations, particularly in the technology and semiconductor sectors, have their national or international headquarters. Irvine is also home to several higher education institutions including: the University of California, Irvine (UCI); Concordia University; Irvine Valley College; the Orange County Center of the University of Southern California (USC) and campuses of California State University Fullerton (CSUF), University of La Verne and Pepperdine University.

Population

The following table offers population figures for the City, the County and the State for 2021 through 2025 as of January 1 of each year.

<i>Area</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
City of Irvine	301,423	309,663	312,657	316,119	318,629
County of Orange	3,174,592	3,159,797	3,156,200	3,170,070	3,175,427
State of California	39,369,530	39,179,680	39,228,444	39,420,663	39,529,101

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2021-2025, with 2020 Census Benchmark. Sacramento, California, May 2025.

Building Activity

The following tables provide summaries of the building permit valuations and the number of new dwelling units authorized in the City and County from 2020 through 2024.

BUILDING PERMIT VALUATIONS

City of Irvine

2020-2024

(Dollars in Thousands)

	2020	2021	2022	2023	2024
Valuation					
Residential	\$569,339	\$ 769,064	\$ 488,986	\$404,899	\$1,085,473
Non-Residential	<u>366,062</u>	<u>565,964</u>	<u>529,941</u>	<u>495,739</u>	<u>477,322</u>
Total	\$935,401	\$1,335,028	\$1,018,927	\$900,638	\$1,562,795
Units					
Single Family	1,038	1,130	590	245	893
Multiple Family	<u>1,004</u>	<u>1,236</u>	<u>918</u>	<u>3,830</u>	<u>3,094</u>
Total	2,042	2,366	1,508	4,075	3,987

Note: Totals may not add to sums because of rounding.

Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS

County of Orange

2020-2024

(Dollars in Thousands)

	2020	2021	2022	2023	2024
Valuation					
Residential	\$1,870,958	\$2,393,961	\$2,214,772	\$2,573,625	\$2,216,030
Non-Residential	<u>1,984,321</u>	<u>1,825,076</u>	<u>1,928,312</u>	<u>1,994,878</u>	<u>1,841,283</u>
Total	\$3,855,279	\$4,219,037	\$4,143,084	\$4,568,503	\$4,057,313
Units					
Single Family	2,863	3,292	2,929	2,688	1,434
Multi Family	<u>3,032</u>	<u>4,382</u>	<u>3,405</u>	<u>9,725</u>	<u>4,830</u>
Total	5,895	7,674	6,334	12,413	6,264

Note: Totals may not add to sums because of rounding.

Source: Construction Industry Research Board.

Employment

The following tables show the largest employers located in the City as of June 30, 2024 and the County as of June 30, 2024.

LARGEST EMPLOYERS City of Irvine (as of June 30, 2024)

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	University of California	28,546	University
2.	Peraton State and Local Inc.	17,000	Security
3.	Irvine Unified School District	5,573	School District
4.	Edwards Lifesciences LLC	3,152	Medical Technology
5.	Blizzard Entertainment Inc.	2,327	Video Game
6.	Olsson Inc.	2,100	Engineering
7.	B. Braun Medical Inc.	1,910	Medical Technology
8.	The Haskell Company	1,453	Construction
9.	Western Digital Technologies	1,350	Storage
10.	Panasonic Avionics Corporation	1,345	Aerospace

Source: City of Irvine Comprehensive Annual Financial Report for the year ending June 30, 2024.

LARGEST EMPLOYERS County of Orange (as of June 30, 2024)

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	Walt Disney Co.	34,000	Amusement Park
2.	University of California, Irvine	26,072	University
3.	Providence Southern California	23,632	Medical Center
4.	County of Orange	18,000	Local Government
5.	Kaiser Permanente	10,293	Medical Center
6.	Hoag Memorial Hospital Presbyterian	8,081	Medical Center
7.	Albertsons	7,222	Supermarkets
8.	Allied Universal.	6,145	Services
9.	MemorialCare	5,800	Medical Center
10.	CHOC Hospital	5,462	Medical Center

Source: County of Orange Comprehensive Annual Financial Report for the year ending June 30, 2024.

Employment and Industry

Employment data by industry is not separately reported on an annual basis for the City but is compiled for the Anaheim, Santa Ana and Irvine Metropolitan Division (the “MD”). In addition to varied manufacturing employment, the cities have a large and growing commercial and service sector of employment, as reflected in the table below.

The following table represents the Annual Average Labor Force and Industry Employment for the Anaheim-Santa Ana-Irvine MD for the period from 2020 through 2024.

ANAHEIM-SANTA ANA-IRVINE MD INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE

	2020	2021	2022	2023	2024
Civilian Labor Force	1,575,300	1,569,400	1,593,400	1,611,700	1,623,300
Civilian Employment	1,436,000	1,476,000	1,542,300	1,555,700	1,559,600
Civilian Unemployment	139,300	93,400	51,100	56,000	63,600
Civilian Unemployment Rate	8.8%	6.0%	3.2%	3.5%	3.9%
 Total Farm	1,900	2,000	1,700	1,700	1,700
Total Nonfarm	1,532,700	1,587,800	1,666,000	1,679,600	1,689,700
Total Private	1,376,700	1,432,200	1,507,800	1,519,200	1,526,600
Goods Producing	251,700	252,300	261,100	261,500	261,100
Mining and Logging	400	400	300	300	400
Construction	101,300	102,200	105,300	104,600	105,500
Manufacturing	150,100	149,800	155,400	156,600	155,300
Service Providing	244,100	252,000	258,300	262,500	261,000
Trade, Transportation and Utilities	76,800	77,500	79,000	81,100	80,800
Wholesale Trade	137,600	143,400	145,500	145,800	144,800
Retail Trade	29,600	31,100	33,800	35,700	35,400
Transportation, Warehousing and Utilities	24,100	24,000	24,300	22,700	21,500
Information	115,900	117,100	112,300	103,700	103,100
Financial Activities	309,200	321,700	331,500	320,100	315,100
Professional and Business Services	161,800	180,400	217,900	229,800	234,500
Private Education and Health Services	44,100	47,500	53,100	55,200	56,000
Leisure and Hospitality	156,100	155,700	158,200	160,500	163,200
Other Services	1,900	2,000	1,700	1,700	1,700
Government	<u>1,532,700</u>	<u>1,587,800</u>	<u>1,666,000</u>	<u>1,679,600</u>	<u>1,689,700</u>
Total, All Industries	1,534,600	1,589,800	1,667,700	1,681,400	1,691,400

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The “Total, All Industries” data is not directly comparable to the employment data found in this Appendix C.

Source: State of California, Employment Development Department, 2024 Benchmark.

The following table summarizes the labor force, employment and unemployment figures for the period from 2020 through 2024 for the City, the County, the State and the Nation as a whole.

**CITY OF IRVINE
COUNTY OF ORANGE
STATE OF CALIFORNIA AND UNITED STATES
Average Annual Civilian Labor Force, Employment and Unemployment**

	Labor Force	Employment⁽¹⁾	Unemployment⁽²⁾	Unemployment Rate (%)⁽³⁾
2020				
City of Irvine	150,100	139,600	10,500	7.0%
County of Orange	1,575,300	1,436,000	139,300	8.8
State of California	18,956,600	17,039,800	1,916,800	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
2021				
City of Irvine	150,500	142,700	7,800	5.2%
County of Orange	1,569,400	1,467,000	93,400	6.0
State of California	18,954,600	17,564,900	1,389,700	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
2022				
City of Irvine	158,700	153,800	4,900	3.1%
County of Orange	1,593,400	1,542,300	51,100	3.2
State of California	19,218,300	18,393,900	824,400	4.3
United States	164,287,000	158,291,000	5,996,000	3.6
2023				
City of Irvine	162,500	156,800	5,700	3.5%
County of Orange	1,611,700	1,555,700	56,000	3.5
State of California	19,471,000	18,551,800	919,200	4.7
United States	167,116,000	161,037,000	6,080,000	3.6
2024				
City of Irvine	163,700	157,200	6,500	4.0%
County of Orange	1,623,300	1,559,600	63,600	3.9
State of California	19,644,100	18,600,900	1,043,100	5.3
United States	168,106,000	161,346	6,761,000	4.0

Note: Data is not seasonally adjusted.

(1) Includes persons involved in labor-management trade disputes.

(2) Includes all persons without jobs who are actively seeking work.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2024 Benchmark.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

Total personal income in Orange County increased by 67.4% between 2013 and 2023. The following tables summarize personal income for Orange County for 2013 through 2023.

PERSONAL INCOME
Orange County
2013-2023
(Dollars in Thousands)

<i>Year</i>	<i>Orange County</i>	<i>Annual Percent Change</i>
2013	166,542,339	--%
2014	173,769,675	4.3
2015	187,042,532	7.6
2016	194,223,700	3.8
2017	202,337,241	4.2
2018	210,648,610	4.1
2019	221,785,219	5.3
2020	239,165,288	7.8
2021	257,606,430	7.7
2022	264,973,116	2.9
2023	278,760,587	5.2

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes per capita personal income for Orange County, California and the United States for 2014 through 2023. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

PER CAPITA PERSONAL INCOME⁽¹⁾
City of Irvine, County of Orange, State of California, and United States
2014-2023

<i>Year</i>	<i>County of Orange</i>	<i>California</i>	<i>United States</i>
2014	\$55,457	\$50,617	\$46,289
2015	59,238	53,816	48,062
2016	61,184	55,862	48,974
2017	63,510	58,214	51,006
2018	66,056	60,984	53,311
2019	69,616	64,219	55,567
2020	75,074	70,098	59,123
2021	81,505	76,882	64,460
2022	84,109	76,941	66,244
2023	88,897	81,255	69,810

⁽¹⁾ Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Taxable Sales

The table below presents taxable sales for the years 2019 through 2024 for the City.

TAXABLE SALES
City of Irvine
2019-2024
(Dollars in Thousands)

<i>Year</i>	<i>Permits</i>	<i>Taxable Transactions</i>
2019	10,734	\$5,918,539
2020	12,038	5,040,777
2021	10,986	6,268,119
2022	11,179	7,527,093
2023	11,135	8,126,299
2024	11,539	7,892,635

Source: "Taxable Sales in California (Sales & Use Tax)" — California Department of Tax and Fee Administration for 2019-2024.

The table below presents taxable sales for the years 2019 through 2023 for the County.

TAXABLE SALES
County of Orange
2019-2024
(Dollars in Thousands)

<i>Year</i>	<i>Permits</i>	<i>Taxable Transactions</i>
2019	122,989	\$69,688,975
2020	132,807	63,833,515
2021	118,779	78,253,936
2022	119,697	88,027,071
2023	116,309	87,298,417
2024	117,426	86,337,413

Source: "Taxable Sales in California, California Department of Tax and Fee Administration" for 2019-2024.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Rutan & Tucker, LLP, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

Direct Dial: (714) 641-3416

_____, 2025

City of Irvine Community Facilities District No.
2013-3 (Great Park)
Irvine, California

Re: \$ _____ City of Irvine Community Facilities District No. 2013-3 (Great Park)
Improvement Area No. 11 2025 Special Tax Bonds (Opinion of Bond Counsel)

Ladies and Gentlemen:

As Bond Counsel, we have examined the Constitution and laws of the State of California, a certified record of the proceedings of the City Council of the City of Irvine, acting in its capacity as the legislative body of Community Facilities District No. 2013-3 (Great Park) (the “District”) taken in connection with the formation of the District, and Improvement Area No. 11 therein, and the authorization and issuance of the District’s Improvement Area 11 2025 Special Tax Bonds in the aggregate principal amount of \$ _____ (the “Bonds”) and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the City of Irvine (the “City”), the District, and others set forth in various documents including, without limitation, the Tax Certificate. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 et seq. of the Government Code of the State of California), Resolution No. 25-____ adopted by the City Council of the City, acting in its capacity as the legislative body of the District, on October 28, 2025 (the “Bond Resolution”) and that certain Bond Indenture, dated as of November 1, 2025 (the “Bond Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as Trustee. The Bond Resolution provides for the Bonds to be issued, and the Bonds are being issued, for the purpose of financing the construction of multiple capital improvements. Capitalized terms not defined herein shall have the meaning set forth in the Bond Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Bond Indenture, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Bond Indenture to levy Special Taxes for the payment of Administrative Expenses. The Bonds are limited obligations of the District but are not a debt of the City, the County of Orange, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation; and, except for the Special Taxes, neither the faith and credit nor the taxing power of the District, the City, the County of Orange, the State of California, or any other political subdivision is pledged for the payment thereof.

(2) The Bond Indenture has been duly executed and delivered by the District. The Bond Indenture creates a valid pledge of, and the Bonds are secured by, the Special Taxes and the amounts on deposit in certain funds and accounts established under the Bond Indenture, as and to the extent provided in the Bond Indenture, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion.

(3) Interest on the bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Such interest is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur). Our engagement as Bond Counsel terminates upon the issuance of the Bonds.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Very truly yours,

RUTAN & TUCKER, LLP

APPENDIX D

SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Indenture that are not described elsewhere. This summary does not purport to be comprehensive, and reference should be made to the Indenture for a full and complete statement of the provisions thereof.

Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

“Account” means any account created pursuant to the Indenture.

“Accreted Interest” means, with respect to the Capital Appreciation Bonds, the interest that has accrued on such Bond at the Accretion Rate from its Delivery Date.

“Accretion Rate” means the rate which, when applied to the Principal Amount of any Capital Appreciation Bond and compounded semiannually on each March 1 and September 1 commencing on the first March 1 and September 1 following the issuance of such Bond, produces the Maturity Value on the maturity date.

“Accreted Value” means with respect to the Capital Appreciation Bonds, as of the date of calculation, the Principal Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each March 1 and September 1 commencing on the first March 1 and September 1 following the issuance of such Bond, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“Act” means the Mello Roos Community Facilities Act of 1982, as amended, Sections 53311 *et seq.* of the California Government Code.

“Additional Reserve Policy” means a letter of credit, insurance policy, surety bond or other such funding instrument other than the Reserve Policy which is approved by the Bond Insurer and delivered to the Trustee for the purpose of providing a portion of the Reserve Requirement.

“Administrative Expenses” means the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys’ fees and other costs related thereto, the fees and expenses of the Trustee, the Escrow Agent and any verification agent, any fees and related costs for credit enhancement for Bonds or which are not otherwise paid as Costs of Issuance, any costs related to the District’s compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds, the District, and any other costs otherwise incurred by the City on behalf of the District in order to carry out the purposes of the District as set forth in the Resolution of Formation and any obligation of the District hereunder. Administrative Expenses shall also include the administrative costs with respect to the collection of Delinquency Proceeds.

“Administrative Expense Fund” means the fund by that name created and established pursuant to Section 3.1.

“Annual Debt Service” means the Principal Amount and the Maturity Value of any Outstanding Bonds or Parity Bonds payable in a Bond Year either at maturity or pursuant to a Sinking Fund Payment and any interest payable on any Outstanding Bonds or Parity Bonds in such Bond Year, if the Bonds and any Parity Bonds are retired as scheduled.

“Alternative Penalty Account” means the account by that name created and established in the Rebate Fund pursuant to Section 3.1.

“Authorized Investments” means any of the following investments, if and to the extent the same are at the time legal for investment of the District’s funds (the Trustee is entitled to rely upon investment direction from the District as a certification that such investment is an Authorized Investment):

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(a) Federal Home Loan Mortgage Corporation (FHLMC)

(i) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

(ii) Senior Debt obligations

(b) Farm Credit Banks (formerly: Federal Land Banks, Federal

(i) Intermediate Credit Banks and Banks for Cooperatives)

(ii) Consolidated system-wide bonds and notes

(c) Federal Home Loan Banks (FHL Banks)

(i) Consolidated debt obligations

(d) Federal National Mortgage Association (FNMA)

(i) Senior debt obligations

(ii) Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

(e) Financing Corporation (FICO)

(i) Debt obligations

(f) Resolution Funding Corporation (REFCORP)

(i) Debt obligations

4. Unsecured certificates of deposit, time deposits, demand deposits, and bankers' acceptances (having maturities of not more than 360 days) of any bank (including the Trustee and any affiliate) the short-term obligations of which are rated "A-1" or better by Standard & Poor's.

5. Commercial paper (having original maturities of not more than 270 days rated "A-1+" by Standard & Poor's and "Prime-1" by Moody's.

6. Money market funds rated "AAm" or "AAm-G" by Standard & Poor's, or better (including those of the Trustee or its affiliates).

7. "State Obligations," which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by Standard & Poor's, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) and rated "A-1+" by Standard & Poor's and "Prime-1" by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) and rated "AA" or better by Standard & Poor's and "Aa" or better by Moody's.

8. Pre-refunded municipal obligations rated "AAA" by Standard & Poor's and "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the paying agent for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or paying agent in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the paying agent or escrow agent.

9. Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A” by Standard & Poor’s and Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by Standard & Poor’s and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by Standard & Poor’s and Moody’s, provided that:

(a) The market value of the collateral is maintained at levels equal to 104% of the amount of cash transferred by the Trustee or the District to the provider of the repurchase agreement plus accrued interest with the collateral being valued weekly and marked-to-market at one current market price plus accrued interest;

(b) The Trustee or a third party acting solely as agent therefor or for the District (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);

(c) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(d) The repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or Standard & Poor’s is withdrawn or suspended or falls below “A” by Standard & Poor’s or “A3” by Moody’s, as appropriate, the provider must, at the direction of Trustee or the District, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Trustee or the District.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a), so long as such collateral levels are 103% or better and the provider is rated at least “A” by Standard & Poor’s and Moody’s, respectively.

10. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA” by Standard & Poor’s and “Aa” by Moody’s; provided that, by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee or the District at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Improvement Fund, construction draws) on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice; the Trustee or the District hereby

agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof, or, in the case of a bank, that the obligation of the bank to make payments under the agreement ranks *pari passu* with the obligations of the bank to its other depositors and its other unsecured and unsubordinated creditors;

(d) the Trustee or the District receives the opinion of domestic counsel (which opinion shall be addressed to Trustee or the District) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Trustee or the District;

(e) the investment agreement shall provide that if during its term

(i) the provider's rating by either Standard & Poor's or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (y) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the District, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to Standard & Poor's and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (z) repay the principal of and accrued but unpaid interest on the investment; and

(ii) the provider's rating by either Standard & Poor's or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Trustee or the District, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee or District.

(f) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(g) the investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Trustee or the District, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee or the District, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and

amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee or the District.

11. The State of California Local Agency Investment Fund;

12. Joint Power Authority (JPA) Investment Pools authorized under California Government Code section 53601(p).

13. Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by section 53635 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended, including but not limited to the California Asset Management Program (CAMP).

14. Joint Power authority Investment Pools authorized under California Government Code section 53601(p).

“Authorized Representative of the City” means the means the Mayor, City Manager, any Assistant City Manager, the Director of Administrative Services, or City Clerk of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Representative of the City or of the District.

“Bond Counsel” means an attorney at law or a firm of attorneys selected by the District of nationally recognized standing in matters pertaining to the tax exempt nature of interest on bonds issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond Insurer” or “_____” means _____.

“Bond Register” means the books which the Trustee shall keep or cause to be kept on which the registration and transfer of the Bonds and any Parity Bonds shall be recorded.

“Bond Year” means the twelve month period commencing on September 1 of each year and ending on September 1 of the following year, except that the first Bond Year for the Bonds or an issue of Parity Bonds shall begin on the Delivery Date and end on the first September 1 which is not more than 12 months after the Delivery Date.

“Bondowner” or “Owner” means the person or persons in whose name or names any Bond or Parity Bond is registered.

“Bonds” means the \$ _____ City of Irvine Community Facilities District No. 2013-3 (Great Park) Improvement Area No. 11, 2025 Special Tax Bonds, which will be issued as a combination of Current Interest Bonds and Capital Appreciation Bonds.

“Business Day” means a day which is not a Saturday or Sunday or a day of the year on which banks or trust companies in New York, New York, Wilmington, Delaware, Los Angeles, California, or the city where the corporate trust office of the Trustee is located, are not required or authorized by law, regulation or executive order to close or to remain closed.

“Capital Appreciation Bonds” means the Bonds the interest component of which is compounded semiannually on each Interest Payment Date to maturity as shown in the table of Accreted Values in the Official Statement for such Bonds.

“Certificate of an Authorized Representative” means a written certificate or warrant request executed by an Authorized Representative of the City.

“Certificate of the Special Tax Administrator” means a certificate signed by an authorized representative of the Special Tax Administrator.

“City” means the City of Irvine, County of Orange, California.

“City Council” means the City Council of the City.

“City Facilities” means the Facilities to be owned by the City plus reimbursements due the City for amounts prior expended.

“Code” means the Internal Revenue Code of 1986, as amended, and any Regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

“Continuing Disclosure Certificate” means any Continuing Disclosure Certificate or Continuing Disclosure Agreement executed by the District in connection with the issuance of the Bonds or any Parity Bonds, and as it may be from time to time amended or supplemented in accordance with its terms

“Costs of Issuance” means the costs and expenses incurred in connection with the formation of the Improvement Area and the issuance and sale of the Bonds or any Parity Bonds, including the acceptance and initial annual fees and expenses of the Trustee and its counsel, legal fees and expenses, costs of printing the Bonds and Parity Bonds and the preliminary and final official statements for the Bonds and Parity Bonds, fees of financial consultants, costs of the appraisal and all other related fees and expenses, including reimbursement to property owners within the Improvement Area for design, engineering and legal costs, as set forth in a Certificate of an Authorized Representative of the District.

“Costs of Issuance Fund” means the fund of that name created by Section 3.1.

“Current Interest Bonds” means the Bonds the interest on which is payable semiannually on each Interest Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth herein.

“Defeasance Securities” means any of the following: (a) non-callable direct obligations of the United States of America (“Treasures”), (b) evidences of ownership of proportionate interests in future interest and principal payments on Treasures held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasures are not available to any person claiming through the custodian or to whom the custodian may be obligated, (c) subject to the prior written consent of the Bond Insurer (so long as the Bond Insurer has not defaulted on any obligation under the Insurance Policy), pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, and (d) subject to the prior written consent of the Bond Insurer (so long as the Bond Insurer has not defaulted on any obligation under the Insurance Policy), securities eligible for “AAA” defeasance under then existing criteria of S&P.

“Delinquency Proceeds” means the amounts collected from the redemption of delinquent Special Taxes and from the sale of property sold as a result of the foreclosure of the lien of the Special Tax resulting from the delinquency in the payment of Special Taxes due and payable on such property.

“Delivery Date” means, with respect to the Bonds and each issue of Parity Bonds, the date on which the bonds of such issue were issued and delivered to the initial purchasers thereof.

“Depository” means The Depository Trust Company, New York, New York, and its successors and assigns as securities depository for the Bonds, or any other securities depository acting as Depository under Article II.

“Developed Property” has the meaning ascribed to it in the Rate and Method of Apportionment.

“Development Documents” means the Amended and Restated Development Agreement (the “ARDA”), dated December 27, 2010, by and among the City, the Master Developer and the Irvine Redevelopment Agency, the Amended and Restated Master Implementation Agreement (the “ARMIA”), dated December 27, 2010, by and between the City and the Master Developer, the Great Park Framework Plan Implementation Agreement, dated October 11, 2022, by and between the City and the Master Developer (the “Framework Agreement”), and the Amended and Restated Acquisition Agreement, dated October 11, 2022, by and between the City and the Master Developer.

“Direct Debt for District Property” means that portion of the aggregate Principal Amount and Maturity Value of the Outstanding Bonds and Parity Bonds which is allocable to the property in the Improvement Area.

“District” means the City of Irvine Community Facilities District No. 2013-3 (Great Park) established pursuant to the Act and the Resolution of Formation.

“Facilities” means those public facilities described in the Resolution of Formation which have been acquired or constructed within and outside of the District, including all engineering, planning and design services and other incidental expenses related to such facilities and other facilities, if any, authorized by the qualified electors within the Improvement Area from time to time.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next following June 30.

“Flood District” means the Orange County Flood Control District, and its successors.

“Flood District Facilities” means the Facilities to be owned by the Flood District.

“Improvement Area” means Improvement Area No. 11 of the District.

“Improvement Fund” means the fund by that name established pursuant to Section 3.1.

“Indenture” shall mean this Bond Indenture, dated as of November 1, 2025, by and between CFD No. 2013-3 (Great Park) and the Trustee, providing for the issuance of the Bonds.

“Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the District, who, or each of whom:

(1) is in fact independent and not under the domination of the District or the City;

(2) does not have any substantial interest, direct or indirect, in the District or the City;

and

(3) is not connected with the District or the City as a member, officer or employee of the District or the City, but who may be regularly retained to make annual or other reports to the District or the City.

“Insurance Policy” or “Policy” means the municipal bond insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.

“Insured Bonds” or “Insured Obligations” means those Bonds maturing on September 1 of

“Interest Payment Date” means each March 1 and September 1, commencing March 1, 2026, and the final maturity date of the Bonds; provided, however, that, if any such day is not a Business Day, interest up to the Interest Payment Date, and in the case of the final Interest Payment Date to and including such date, will be paid on the Business Day next preceding such date.

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest. Publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in the City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 5%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the Bond Insurer, in its sole and absolute discretion, shall designate. Interest the Late Payment Rate on any amount owing to the Bond Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

“Master Developer” means Heritage Fields El Toro, LLC, a Delaware limited liability company, its successors and assigns.

“Maturity Value” means the Accreted Value of any Capital Appreciation Bond on its maturity date.

“Maximum Special Tax” has the meaning ascribed to it in the Rate and Method of Apportionment.

“Moody’s” means Moody’s Investors Service, its successors and assigns.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.16.

“One-Time Special Tax” means the One-Time Special Tax described in the Rate and Method of Apportionment.

“Ordinance” means the Ordinance adopted by the legislative body of the District providing for the levying of the Special Tax.

“Other Improvement Area Project Account” means, with respect to an improvement area within the boundaries of the District designated by the City Council, pursuant to Section 53350 of the Act as an improvement area for purposes of the financing of or contributing to the financing of the Facilities the account by that name established under the indenture, trust agreement, Trustee agreement or similar instrument howsoever denominated pursuant to which bonds of the District for such improvement area are issued.

“Outstanding” or “Outstanding Bonds and Parity Bonds” means all Bonds and Parity Bonds theretofore issued by the District, except:

(1) Bonds and Parity Bonds theretofore cancelled or surrendered for cancellation in accordance with Section 10.1;

(2) Bonds and Parity Bonds for payment or redemption of which moneys shall have been theretofore deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds or Parity Bonds), provided that, if such Bonds or Parity Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in the Indenture or any applicable Supplemental Indenture for Parity Bonds; and

(3) Bonds and Parity Bonds which have been surrendered to the Trustee for transfer or exchange pursuant to Section 2.9 or for which a replacement has been issued pursuant to Section 2.10.

“Overlapping Debt” means with respect to any property within the Improvement Area, the sum of (a) the aggregate amount of all unpaid assessments which are a lien on such property and which are pledged to secure the repayment of bonds, plus (b) a portion of the principal amount of any outstanding bonds of other community facilities districts which are payable at least partially from special taxes to be levied on such property (the “Other CFD Bonds”) determined by multiplying the aggregate principal amount of the Other CFD Bonds by a fraction, the numerator of which is the amount of special taxes levied for the Other CFD Bonds on such property and the denominator of which is the total amount of special taxes levied for the Other CFD Bonds on all parcels of property which are subject to the levy of such special taxes, based upon information which is available for the then current Fiscal Year.

“Parity Bonds” mean bonds or other securities issued by the District and secured by a lien on the Special Taxes which is on parity with the lien thereon securing the Bonds.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds or Parity Bonds as securities depository.

“Person” means natural persons, firms, corporations, partnerships, associations, trusts, public bodies and other entities.

“Policy Costs” means repayment of all amounts due under the Reserve Policy and all amounts due with respect to any Additional Reserve Policy resulting from a failure by the District to pay the principal of and interest on the Bonds when due.

“Prepayments” means any amounts paid by the District to the Trustee and designated by the District, in a Certificate of an Authorized Representative of the City, as a prepayment of Special Taxes or the payment of the One-Time Special Tax for one or more parcels in the Improvement Area made in accordance with the Rate and Method of Apportionment.

“Principal Amount” means, with respect to any Current Interest Bond, the principal amount thereof and, with respect to any Capital Appreciation Bond, the initial principal amount thereof as of its date of issuance as stated herein.

“Principal Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California, provided that for purposes of payment, redemption, exchange, transfer, surrender and cancellation of Bonds and Parity Bonds, such term means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as the Trustee may from time to time designate in writing to the District and the Owners.

“Project” means the Facilities to be financed with proceeds of the Bonds and any Parity Bonds.

“Rate and Method of Apportionment” means that certain Rate and Method of Apportionment of Special Tax approved pursuant to the Resolution of Formation, as may be amended in accordance with the Act and the Indenture.

“Rating Agency” means Moody’s and Standard & Poor’s, or both, as the context requires.

“Rebate Account” means the account by that name created and established in the Rebate Fund pursuant to Section 3.1.

“Rebate Fund” means the fund by that name established pursuant to Section 3.1 in which there are established the Accounts described in Section 3.1.

“Rebate Regulations” means any final, temporary or proposed Regulations promulgated under Section 148(f) of the Code.

“Record Date” means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

“Regulations” means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

“Reserve Account” means the account by that name established pursuant to Section 3.1.

“Reserve Policy” means the municipal bond debt service reserve insurance policy issued by the Bond Insurer on the date of issuance of the Bonds representing all or a portion of the reserve requirement.

“Reserve Requirement” shall mean an amount equal to the lowest of (i) 5% of the initial principal amount of the Parity Bonds that are secured by a Reserve Account, (ii) 50% of the Maximum Annual Debt Service on the Outstanding Parity Bonds, or (iii) 62.5% of Average Annual Debt Service on the Outstanding Parity Bonds. Notwithstanding the foregoing, in no event shall the Reserve Requirement exceed the initial deposit thereto except in connection with any increase associated with the issuance of Parity Bonds.

“Resolution of Formation” means collectively, the Resolutions adopted by the City Council pursuant to which the City formed the District and designated the Improvement Area therein.

“Security Documents” shall mean the Indenture, the resolution, trust agreement, indenture, ordinance, loan agreement, lease agreement, bond, note, certificate and/or any additional or supplemental document executed in connection with the Insured Obligations.

“Sinking Fund Payment” means the annual payment to be deposited in the Redemption Account to redeem a portion of the Term Bonds in accordance with any annual sinking fund payment schedule to retire any Bonds or Parity Bonds which are designated as Term Bonds.

“Special Tax Administrator” means the individual or entity appointed by the City to administer the calculation and collection of the Special Taxes.

“Special Tax Fund” means the fund by that name created and established pursuant to Section 3.1.

“Special Taxes” means the taxes authorized to be levied by the District on property within the Improvement Area in accordance with the Ordinance, the Resolution of Formation, and the Act.

“Standard & Poor’s” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, its successors and assigns.

“Supplemental Indenture” means any supplemental indenture amending or supplementing the Indenture.

“Tax Certificate” means the certificate by that name to be executed by the District on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

“Teeter Payments” means payments made to the City or District pursuant to California Revenue and Taxation Code sections 4701 through 4717.

“Term Bonds” means the Current Interest Bonds maturing on September 1, 20__ and September 1, 20__ and any Parity Bonds for which Sinking Fund Payments are established in a Supplemental Indenture.

“Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, at its principal corporate trust office in Los Angeles, California, and its successors or assigns, or any other bank, association or trust company which may at any time be substituted in its place as provided in Sections 7.2 or 7.3 and any successor thereto.

“Underwriter” means, with respect to the Bonds, Stifel, Nicolaus & Company, Incorporated, and with respect to each issue of Parity Bonds, the institution or institutions, if any, with whom the District enters into a purchase contract for the sale of such issue.

“Water District” means the Irvine Ranch Water District.

“Water District Facilities” means the Facilities to be owned by the Water District.

“Written Request of the District” means a written request signed in the name of the District by an Authorized Representative of the City.

THE BONDS

Amount, Issuance, Purpose and Nature of Bonds and Parity Bonds. Under and pursuant to the Act, the Bonds in the aggregate principal amount of \$ _____ shall be issued for the purposes of (a) funding a deposit to the Improvement Fund, (b) funding a deposit to the Reserve Account of the Special Tax Fund, (c) premiums for the Insurance Policy and Reserve Policy, funding Capitalized Interest, (d) funding Capitalized Interest, (e) funding the Costs of Issuance allocable to the Bonds. The Bonds shall be issued as a combination of Current Interest Bonds and Capital Appreciation Bonds.

Type and Nature of Bonds and Parity Bonds. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the District is pledged to the payment of the Bonds or any Parity Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds and Parity Bonds. The Bonds and any Parity Bonds are not general or special obligations of the City nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund, as more fully described herein. The District’s limited obligation to pay the Principal Amount of, premium, if any, and interest on the Bonds and any Parity Bonds from amounts in the Special Tax Fund is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds or any Parity Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The Principal Amount of and interest on the Bonds and any Parity Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bonds and any Parity Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District’s property, or upon any of its income, receipts or revenues, except the Special Taxes and other amounts in the Special Tax Fund which are, under the terms of the Indenture and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative

body of the District or the City Council nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Notwithstanding anything to the contrary contained in the Indenture, the District shall not be required to advance any money derived from any source of income other than the Special Taxes for the payment of the interest on or the Principal Amount of or premium on the Bonds or any Parity Bonds, or for the performance of any covenants contained herein. The District may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Equality of Bonds and Parity Bonds and Pledge of Special Taxes. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, in order to directly secure the payment of the Principal Amount of and interest on the Bonds and any Parity Bonds in accordance with their terms, the provisions of the Indenture and the Act, the District hereby pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Special Taxes and any other amounts held in the Special Tax Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act. Pursuant to the Act and the Indenture, the Bonds and any Parity Bonds shall be equally payable from the Special Taxes and other amounts in the Special Tax Fund, without priority for number, date of the Bonds or Parity Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and Principal Amount of the Bonds and any Parity Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Special Taxes and other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds and any Parity Bonds. Amounts in the Special Tax Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and Principal Amount of the Bonds and any Parity Bonds and so long as any of the Bonds and any Parity Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by the Indenture or any Supplemental Indenture. Notwithstanding any provision contained in the Indenture to the contrary, Special Taxes transferred to the City for application pursuant to the Development Documents shall no longer be considered to be pledged to the Bonds or any Parity Bonds, and none of the Improvement Fund or the Administrative Expense Fund, nor any moneys transferred to the City application pursuant to the Development Documents, shall be construed as a trust fund held for the benefit of the Owners.

Nothing in the Indenture or any Supplemental Indenture shall preclude; (a) subject to the limitations herein, the redemption prior to maturity of any Bonds or Parity Bonds subject to call and redemption and payment of said Bonds or Parity Bonds from proceeds of bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California; or (b) the issuance, subject to the limitations contained herein, of Parity Bonds which shall be payable from Special Taxes.

Description of Bonds; Interest Rates. The Bonds shall be dated as of their Delivery Date and designated "CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK) IMPROVEMENT AREA NO. 11, 2025 SPECIAL TAX BONDS." The Bonds shall be issued as a combination of Current Interest Bonds and Capital Appreciation Bonds.

Current Interest Bonds. The Bonds being issued as Current Interest Bonds and any Parity Bonds being issued as Current Interest Bonds shall be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. Such Bonds and any such Parity Bonds of each issue shall be numbered as desired by the Trustee.

The Bonds being issued as Current Interest Bonds shall mature and be payable on September 1 in the years and in the aggregate Principal Amounts and shall be subject to and shall bear interest at the rates set forth in the table below payable on March 1, 2026, and each Interest Payment Date thereafter:

Interest shall be payable on each Bond being issued as Current Interest Bonds and on each Parity Bond being issued as Current Interest Bonds from the date established in accordance with Section 2.5 on each Interest Payment Date thereafter until the principal sum of such Bond or Parity Bond has been paid; provided, however, that if at the maturity date of any such Bond funds are available for the payment or redemption thereof in full, in accordance with the terms of the Indenture, such Bonds and Parity Bonds shall then cease to bear interest. Interest due on the Bonds being issued as Current Interest Bonds and the Parity Bonds being issued as Current Interest Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Interest on any Bond being issued as Current Interest Bonds or any Parity Bond being issued as Current Interest Bonds shall be payable from the Interest Payment Date next preceding the date of authentication of that Bond or Parity Bonds, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond or Parity Bond, in which event interest shall be payable from the dated date of such Bond or Parity Bond; provided, however, that if at the time of authentication of such Bond or Parity Bond, interest is in default, interest on that Bond or Parity Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on that Bond or Parity Bond, interest on that Bond or Parity Bond shall be payable from its dated date. Interest on any Bond being issued as Current Interest Bonds or any Parity Bond being issued as Current Interest Bonds shall be paid to the person whose name shall appear in the Bond Register as the Owner of such Bond or Parity Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Trustee mailed on the applicable Interest Payment Date by first class mail, postage prepaid, to such Bondowner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in Principal Amount of the Bonds, payment shall be made on the Interest Payment Date by wire transfer in immediately available funds to an account designated by such Owner.

Capital Appreciation Bonds. The Bonds being issued as Capital Appreciation Bonds and any Parity Bonds being issued as Capital Appreciation Bonds shall be issued in fully registered form in denominations of \$5,000 Maturity Value or any integral multiple thereof. Such Bonds and any such Parity Bonds of each issue shall be numbered as desired by the Trustee. The Bonds being issued as Capital Appreciation Bonds and any Parity Bonds being issued as Capital Appreciation Bonds shall be dated, and shall accrete interest at the Accretion Rate for such Bond or Parity Bond from its Delivery Date to its Maturity Date and during such period no interest shall be payable on a current basis. The Bonds being issued as Capital Appreciation Bonds and any Parity Bonds being issued as Capital Appreciation Bonds shall have Principal Amounts per each five thousand dollars (\$5,000) in Maturity Value and Accreted Values on each Interest Payment Date as shown in the Accreted Value Table attached as Exhibit D hereto; provided, that in the event that an amount shown in such Accreted Value Table and the Accreted Value calculated by the District or the Trustee by application of the definition of Accreted Value set forth herein differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond. Capital Appreciation Bonds will not bear interest on a current basis.

The Bonds being issued as Capital Appreciation Bonds shall mature in the years, shall be issued in the aggregate Principal Amounts, shall have the Maturity Values and shall accrete interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates set forth below:

Place and Form of Payment. The Bonds and Parity Bonds shall be payable both as to Principal Amount and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America. The Principal Amount, Accreted Value or Maturity Value of the Bonds and Parity Bonds and any premiums due upon the redemption thereof shall be payable upon presentation and surrender thereof at the Principal Office of the Trustee, or at the designated office of any successor Trustee.

Form of Bonds and Parity Bonds. The definitive Bonds shall be typewritten. The Bonds being issued as Current Interest Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, and the Bonds being issued as Capital Appreciation Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit B, which forms are hereby approved and adopted as the forms of such Bonds and any Parity Bonds and of the certificate of authentication.

Until definitive Bonds or Parity Bonds shall be prepared, the District may cause to be executed and delivered in lieu of such definitive Bonds or Parity Bonds temporary bonds in typed, printed, lithographed or engraved form and in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds or Parity Bonds, except that they may be in any denominations authorized by the District. Until exchanged for definitive Bonds or Parity Bonds, any temporary bond shall be entitled and subject to the same benefits and provisions of the Indenture as definitive Bonds and Parity Bonds. If the District issues temporary Bonds, it shall execute and furnish definitive Bonds or Parity Bonds, as applicable, without unnecessary delay and thereupon any temporary Bond or Parity Bond may be surrendered to the Trustee at its office, without expense to the Owner, in exchange for a definitive Bond or Parity Bond of the same issue, maturity, interest rate, accretion rate (if applicable) and Principal Amount in any authorized denomination. All temporary Bonds and Parity Bonds so surrendered shall be cancelled by the Trustee and shall not be reissued.

Execution and Authentication. The Bonds and Parity Bonds shall be signed on behalf of the District by the manual or facsimile signature of the Mayor of the City and by the manual or facsimile signature of the City Clerk, or any duly appointed deputy clerk, in their capacity as officers of the District. In case any one or more of the officers who shall have signed or sealed any of the Bonds or Parity Bonds shall cease to be such officer before the Bonds or Parity Bonds so signed and sealed have been authenticated and delivered by the Trustee (including new Bonds or Parity Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or Parity Bonds or to lost, stolen, destroyed or mutilated Bonds), such Bonds or Parity Bonds shall nevertheless be valid and may be authenticated and delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

Only the Bonds or Parity Bonds as shall bear thereon such certificate of authentication in the form set forth in Exhibit A or Exhibit B attached hereto shall be entitled to any right or benefit under the Indenture, and no Bond or Parity Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Bond Register. The Trustee will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bonds and any Parity Bonds which shall upon reasonable prior notice be open to inspection by the District during all regular business hours, and, subject to the limitations set forth in Section 2.9, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, with reasonable notice, register or transfer or cause to be transferred on said Bond Register, Bonds and any Parity Bonds as herein provided.

The District and the Trustee may treat the Owner of any Bond or Parity Bond whose name appears on the Bond Register as the absolute Owner of that Bond or Parity Bond for any and all purposes, and the District and the Trustee shall not be affected by any notice to the contrary. The District and the Trustee may rely on the address of the Bondowner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Bondowner to give written notice to the Trustee of any change in the Bondowner's address so that the Bond Register may be revised accordingly.

Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any Bond or Parity Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond or Parity Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds or Parity Bonds may be exchanged at the office of the Trustee for a like aggregate Principal Amount or Maturity Value of Bonds or Parity Bonds for other authorized denominations of the same maturity and issue. The Trustee shall not collect from the Owner any charge for any new Bond or Parity Bond issued upon any exchange or transfer, but shall require the Bondowner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the District. Whenever any Bonds or Parity Bonds shall be surrendered for registration of transfer or exchange, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds or a new Parity Bond or Parity Bonds, as applicable, of the same issue and maturity, for a like aggregate Principal Amount or Maturity Value; provided that the Trustee shall not be required to register transfers or make exchanges of (i) Bonds or Parity Bonds for a period of 15 days next preceding any selection of the Bonds or Parity Bonds to be redeemed, or (ii) any Bonds or Parity Bonds chosen for redemption.

Mutilated, Lost, Destroyed or Stolen Bonds or Parity Bonds. If any Bond or Parity Bond shall become mutilated, the District shall execute, and the Trustee shall authenticate and deliver, a new Bond or Parity Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond or Parity Bond so mutilated, but only upon surrender to the Trustee of the Bond or Parity Bond so mutilated. Every mutilated Bond or Parity Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 10.1. If any Bond or Parity Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the District shall execute and the Trustee shall authenticate and deliver, a new Bond or Parity Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond or Parity Bond so lost, destroyed or stolen. Any Bond or Parity Bond issued in lieu of any Bond or Parity Bond alleged to be mutilated, lost, destroyed or stolen, shall be equally and proportionately entitled to the benefits hereof with all other Bonds or Parity Bonds issued hereunder. The Trustee shall not treat both the original Bond or Parity Bond and any replacement Bond or Parity Bond as being Outstanding for the purpose of determining the Principal Amount or Maturity Value of Bonds or Parity Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds or Parity Bonds Outstanding hereunder, but both the original and replacement Bond or Parity Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond or Parity Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bonds or Parity Bonds.

Validity of Bonds and Parity Bonds. The validity of the authorization and issuance of the Bonds and any Parity Bonds shall not be affected in any way by any defect in any proceedings taken by the District, and the recital contained in the Bonds or any Parity Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and of the regularity of their issuance.

Book-Entry System. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.14, all of the Outstanding Bonds shall be registered in the registration books kept by the Trustee in the name of the Nominee. At the election of the District, any Parity Bonds may also be issued as book-entry bonds registered in the name of the Nominee as provided herein, in which case the references in Sections 2.12 through 2.15 to "Bonds" shall be applicable to such Parity Bonds.

With respect to Bonds registered in the registration books kept by the Trustee in the name of the Nominee, the District and the Trustee shall have no responsibility or obligation to any such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to

any ownership interest in the Bonds; (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event that the Bonds are redeemed in part; or (iv) the payment to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest due with respect to the Bonds. The District and the Trustee may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of the principal of, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest due on the Bonds only to or upon the order of the respective Owner, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the District's obligations with respect to payment of the principal, premium, if any, and interest due on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the registration books kept by the Trustee, shall receive a Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the Indenture. Upon delivery by the Depository to the Trustee and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in the Indenture shall refer to such new nominee of the Depository.

Representation Letter. In order to qualify the Bonds and any Parity Bonds which the District elects to register in the name of the Nominee for the Depository's book-entry system, an Authorized Representative of the District is hereby authorized to execute from time to time and deliver to such Depository the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.12 or in any other way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Trustee. The District agrees to take all action necessary to continuously comply with all representations made by it in the Representation Letter. In addition to the execution and delivery of the Representation Letter, the Authorized Representatives of the District are hereby authorized to take any other actions, not inconsistent with the Indenture, to qualify the Bonds for the Depository's book-entry program.

Transfers Outside Book-Entry System. In the event that: (i) the Depository determines not to continue to act as securities depository for the Bonds; or (ii) the District determines that the Depository shall no longer so act, then the District will discontinue the book-entry system with the Depository. If the District fails to identify another qualified securities depository to replace the Depository then the Bonds so designated shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of the Nominee, but shall be registered in whatever name or names Persons transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.9.

Payments to the Nominee. Notwithstanding any other provisions of the Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal, premium, if any, and interest due with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

Initial Depository and Nominee. The initial Depository under the Indenture shall be The Depository Trust Company, New York, New York. The initial Nominee shall be Cede & Co., as Nominee of The Depository Trust Company, New York, New York.

CREATION OF FUNDS AND APPLICATION OF PROCEEDS

Creation of Funds; Application of Proceeds.

There is hereby created and established and shall be maintained by the Trustee the following funds and accounts:

The Community Facilities District No. 2013-3 Improvement Area No. 11 Special Tax Fund (the "Special Tax Fund") (in which there shall be established and created an Interest Account, a Principal Account, a Reserve Account and a Redemption Account);

The Community Facilities District No. 2013-3 Improvement Area No. 11 Rebate Fund (the "Rebate Fund") (in which there shall be established a Rebate Account and an Alternate Penalty Account);

The Community Facilities District No. 2013-3 Improvement Area No. 11 Costs of Issuance Fund (the "Costs of Issuance Fund");

The Community Facilities District No. 2013-3 Improvement Area No. 11 Administrative Expense Fund (the "Administrative Expense Fund"); and

The Community Facilities District No. 2013-3 Improvement Area No. 11 Improvement Fund (the "Improvement Fund").

The amounts on deposit in the foregoing funds and accounts shall be held by the Trustee on behalf of the District and shall be invested and disbursed in accordance with the provisions of this Article 3. The investment earnings thereon shall be disbursed in accordance with the provisions of Section 3.9.

Deposits to and Disbursements from Special Tax Fund.

The Trustee shall deposit Delinquency Proceeds as follows:

the amount specified by the District as representing past due interest on the Bonds shall be deposited to the Interest Account of the Special Tax Fund; and

the amount specified by the District as representing past due Principal Amount of the Bonds shall be deposited to the Principal Account of the Special Tax Fund.

Except for the portion of any Prepayment to be deposited to the Redemption Account, the District shall, as soon as practicable transfer the Special Taxes received by the District to the Trustee for deposit in the Special Tax Fund to be held by the Trustee in trust for the Owners. The Trustee shall transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections, in the following order of priority, to:

the Interest Account of the Special Tax Fund the amount necessary to cause the balance on deposit therein to be equal to the interest on the Bonds and any Parity Bonds payable on the next succeeding Interest Payment Date;

the Principal Account of the Special Tax Fund the amount necessary to cause the balance on deposit therein to be equal to the Principal Amount, Accreted Value or Maturity Value of the Bonds and any Parity Bonds and/or the Sinking Fund Payment payable on the next succeeding September 1; provided that not more than one-half of such amount and/or the Sinking Fund Payment payable on the next succeeding September 1 shall be deposited in the Principal Account prior to March 1 until the balance on deposit in the Interest Account equals the interest payable on the Bonds and any Parity Bonds through September 1;

the Reserve Account the amounts necessary to fund and pay the amounts as set forth in Section 3.5;

the Redemption Account of the Special Tax Fund; and

the Administrative Expense Fund the amount identified in a Certificate of an Authorized Representative of the City as necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses as they come due;

to the City for allocation, distribution and payment pursuant to the Amended and Restated Development Documents as soon as steps (1) through (5) have been completed for the Bond Year.

The Trustee shall notify the District within five (5) Business Days of amounts being deposited to satisfy the requirements of steps (1) through (5). Upon such notification, the District shall not be required to transfer any further Special Taxes (other than Prepayments) received by the District in such Bond Year to the Trustee and instead shall transfer such Special Taxes directly to the City for allocation, distribution and payment pursuant to the Development Documents. At least fifteen (15) Business Days prior to each Interest Payment Date, the Trustee shall notify the District in writing the amount of Special Taxes required to pay the Principal Amount and Maturity Value of and interest on the Bonds and any Parity Bonds on the next succeeding Interest Payment Date. The Trustee shall notify the District at least five (5) Business Days prior to each Interest Payment Date if there is not on deposit with the Trustee, after making all of the transfers required hereunder, moneys sufficient to pay the Principal Amount and Maturity Value of and interest on the Bonds and any Parity Bonds.

Administrative Expense Fund. After making the transfers set forth in Sections 3.2(b)(1) through (4), the Trustee shall transfer Special Taxes in the Special Tax Fund to the Administrative Expense Fund in the amount set forth in Section 3.2(b)(5) for the purpose of paying Administrative Expenses as they come due.

Interest Account and Principal Account of the Special Tax Fund. The Principal Amount (including Sinking Fund Payments), Accreted Value and Maturity Value of and interest due on the Bonds and any Parity Bonds until maturity, other than Principal Amount and Accreted Value due upon redemption (other than by Sinking Fund Payment), shall be paid by the Trustee from the Principal Account and the Interest Account of the Special Tax Fund, respectively. For the purpose of assuring that the payment of the Principal Amount (including Sinking Fund Payments), Accreted Value and Maturity Value of and interest on the Bonds and any Parity Bonds will be made when due, after making the transfer required by Section 3.3, at least five Business Days prior to each March 1 and September 1, the Trustee shall make the following transfers from the Special Tax Fund first to the Interest Account and then to the Principal Account; provided, however, that to the extent that deposits have been made in the Interest Account or the Principal Account from the proceeds of the sale of an issue of the Bonds, any Parity Bonds, or otherwise, the transfer from the Special Tax Fund need not be made. At least fifteen (15) days prior to an Interest Payment Date, the Trustee shall notify the District if there are insufficient funds to provide for the payment of the Principal Amount, Accreted Value and Maturity Value of and interest due on the Bonds and any Parity Bonds on such Interest Payment Date.

Reserve Account of the Special Tax Fund. There shall be maintained in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement. The Reserve Requirement may be satisfied in whole or in part by cash, a Reserve Policy and/or Additional Reserve Policy, or a combination thereof. The amounts in the Reserve Account shall be applied as follows:

Moneys in the Reserve Account shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, interest on the Bonds, accreted value and maturity value and any Parity Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor and for the purpose of making any required transfer to the Rebate Fund pursuant to Section 3.7 upon written direction from the District. If the amounts in the Interest Account or the Principal Account are insufficient to pay the principal of, including Sinking Fund Payments, or interest on any

Parity Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee shall withdraw from the Reserve Account, first from the cash on deposit therein, and second from a draw on the Reserve Policy, if any, for deposit in the Interest Account or the Principal Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes.

Whenever moneys are withdrawn from the Reserve Account, after making the required transfers referred to in Sections 3.3, 3.4 and 3.6, the Trustee shall transfer to the Reserve Account from available moneys in the Special Tax Fund, or from any other legally available funds which the District elects to apply to such purpose, the amount needed to restore the amount of such Reserve Account to the Reserve Requirement by first, repaying any amounts due under the Reserve Policy, and second to fund the Reserve Account to the Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Account only if the Trustee determines that such amounts will not be needed to make the deposits required to be made to the Administrative Fund, the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund on or before the next September 1. If amounts in the Special Tax Fund together with any other amounts transferred to replenish the Reserve Account are inadequate to restore the Reserve Account to the Reserve Requirement, including any amounts necessary to pay costs related to the Reserve Policy, if any, then the District shall include the amount necessary to restore the Reserve Account to the Reserve Requirement, in the next annual Special Tax levy to the extent of the maximum permitted Special Tax rates.

In connection with a redemption of Bonds pursuant to Section 4.1(a) or 4.1(c) or Parity Bonds in accordance with any Supplemental Indenture, or a partial defeasance of Bonds or Parity Bonds in accordance with Section 9.1, amounts in the Reserve Account may be applied to such redemption or partial defeasance so long as the amount on deposit in the Reserve Account following such redemption or partial defeasance equals the Reserve Requirement. The District shall set forth in a Certificate of an Authorized Representative the amount in the Reserve Account to be transferred to the Redemption Account on a redemption date or to be transferred pursuant to the Indenture to partially defease Bonds or Parity Bonds, and the Trustee shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

To the extent that the Reserve Account is at the Reserve Requirement as of the first day of the final Bond Year for the Bonds or an issue of Parity Bonds, amounts in the Reserve Account may be applied to pay the principal of and interest due on the Bonds and Parity Bonds, as applicable, in the final Bond Year for such issue.

Redemption Account of the Special Tax Fund.

After making the transfers and deposits required by Sections 3.4 and 3.5, and in accordance with the District's election to call Bonds for optional redemption as set forth in Section 4.1(a), or to call Parity Bonds for optional redemption as set forth in any Supplemental Indenture for Parity Bonds, the Trustee shall transfer from the Special Tax Fund and deposit in the Redemption Account moneys available for the purpose and sufficient to pay the Principal Amount and Accreted Value, and the premiums, if any, payable on the Bonds or Parity Bonds called for optional redemption; provided, however, that amounts in the Special Tax Fund may be applied to optionally redeem Bonds and Parity Bonds only if immediately following such redemption the amount in the Reserve Account will equal the Reserve Requirement for an issue of Parity Bonds and the Bonds.

Prepayments deposited to the Redemption Account shall be applied on the redemption date established pursuant to Section 4.1(c) for the use of such Prepayments to the payment of the Principal Amount and Accreted Value of, premium, and interest on the Bonds and Parity Bonds to be redeemed with such Prepayments.

Moneys set aside in the Redemption Account shall be used solely for the purpose of redeeming Bonds and Parity Bonds and shall be applied on or after the redemption date to the payment of Principal Amount and Accreted Value of and premium, if any, on the Bonds or Parity Bonds to be redeemed upon presentation and surrender of such Bonds or Parity Bonds and in the case of an optional redemption or an extraordinary redemption from Prepayments to pay the interest thereon; provided, however, that in lieu or partially in lieu of such call and redemption, moneys deposited in the Redemption Account, other than Prepayments, may be used to purchase Outstanding Bonds or Parity Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds or Parity Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, plus, in the case of moneys set aside for an optional redemption, the premium applicable at the next following call date according to the premium schedule established pursuant to Section 4.1(a), or in the case of Parity Bonds the premium established in any Supplemental Indenture. Any accrued interest payable upon the purchase of Bonds or Parity Bonds may be paid from the amount reserved in the Interest Account of the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Rebate Fund.

The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund and shall establish a separate Rebate Account and Alternate Penalty Account therein. All money at any time deposited in the Rebate Account or the Alternate Penalty Account of the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. A separate subaccount of the Rebate Account and the Alternate Penalty Account shall be established for the Bonds and each issue of Parity Bonds the interest on which is excluded from gross income for federal income tax purposes. All amounts on deposit in the Rebate Fund with respect to the Bonds or an issue of Parity Bonds shall be governed by this Section 3.7 and the Tax Certificate for such issue, unless the District obtains an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest payments on the Bonds and Parity Bonds will not be adversely affected if such requirements are not satisfied.

Rebate Account. The following requirements shall be satisfied with respect to each subaccount of the Rebate Account:

Annual Computation. Within 55 days of the end of each Bond Year, the District shall calculate or cause to be calculated the amount of rebatable arbitrage for the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage described in the Tax Certificate for each issue (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the “1½% Penalty”) has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the “Rebatable Arbitrage”). The District shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

Annual Transfer. Within 55 days of the end of each Bond Year for which Rebatable Arbitrage must be calculated as required by the Tax Certificate for each issue, upon the written direction of an Authorized Representative of the District, an amount shall be deposited to each subaccount of the Rebate Account by the Trustee from any funds so designated by the District if and to the extent required, so that the balance in the Rebate Account shall equal the amount of Rebatable Arbitrage so calculated by or on behalf of the District in accordance with clause (i) of this subsection (a)(1) with respect to the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable. In the event that immediately following any transfer required by the previous sentence, or the date on which the District determines that no transfer is required for such Bond Year, the amount then on deposit to the credit of the applicable subaccount of the Rebate Account exceeds the

amount required to be on deposit therein, upon written instructions from an Authorized Representative of the District, the Trustee shall withdraw the excess from the appropriate subaccount of the Rebate Account and then credit the excess to the Special Tax Fund.

Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the District, to the United States Treasury, out of amounts in each subaccount of the Rebate Account:

not later than 60 days after the end of: (A) the fifth Bond Year for the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable; and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year for the Bonds and each issue of Parity Bonds, as applicable; and

not later than 60 days after the payment or redemption of all of the Bonds or an issue of Parity Bonds, as applicable, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Account, the amount in the Rebate Account is not sufficient to make such payment when such payment is due, the District shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a)(1) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code.

Alternate Penalty Account.

Six-Month Computation. If the 1½% Penalty has been elected for the Bonds or an issue of Parity Bonds, within 85 days of each particular Six-Month Period, the District shall determine or cause to be determined whether the 1½% Penalty is payable (and the amount of such penalty) as of the close of the applicable Six-Month Period. The District shall obtain expert advice in making such determinations.

Six-Month Transfer. Within 85 days of the close of each Six-Month Period, the Trustee, at the written direction of an Authorized Representative of the District, shall deposit an amount in the appropriate subaccounts of the Alternate Penalty Account from any source of funds held by the Trustee pursuant to the Indenture and designated by the District in such written directions or provided to it by the District, if and to the extent required, so that the balance in each subaccount of the Alternate Penalty Account equals the amount of 1½% Penalty due and payable to the United States Treasury determined as provided in subsection (a)(2)(i). In the event that immediately following any transfer provided for in the previous sentence, or the date on which the District determines that no transfer is required for such Bond Year, the amount then on deposit in a subaccount of the Alternate Penalty Account exceeds the amount required to be on deposit therein to make the payments required by subsection (iii), the Trustee, at the written direction of an Authorized Representative of the District, may withdraw the excess from the applicable subaccount of the Alternate Penalty Account and credit the excess to the Special Tax Fund.

Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the District, to the United States Treasury, out of amounts in a subaccount of the Alternate Penalty Account, not later than 90 days after the close of each Six-Month Period the 1½% Penalty, if applicable and payable, computed with respect to the Bonds and any issue of Parity Bonds in accordance with Section 148(f)(4) of the Code. In the event that, prior to the time of any payment required to be made from a subaccount of the Alternate Penalty Account, the amount in such subaccount is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and direct the

Trustee, in writing, to deposit an amount equal to such deficiency into such subaccount of the Alternate Penalty Account from any funds held by the Trustee pursuant to the Indenture and designated by the District in such written directions prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a)(2) shall be made to the Internal Revenue Service, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T or shall be made in such other manner as provided under the Code.

Disposition of Unexpended Funds. Any funds remaining in the Accounts of the Rebate Fund with respect to the Bonds or an issue of Parity Bonds after redemption and payment of such issue and after making the payments described in subsections (a)(1)(iii) or (a)(2)(iii) (whichever is applicable), may be withdrawn by the Trustee at the written direction of the District and utilized in any manner by the District.

Survival of Defeasance and Final Payment. Notwithstanding anything in this Section or the Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance and final payment of the Bonds and any Parity Bonds with respect to which an Account has been created in the Rebate Fund.

Amendment Without Consent of Owners. This Section 3.7 may be deleted or amended in any manner without the consent of the Owners, provided that prior to such event there is delivered to the District an opinion of Bond Counsel to the effect that such deletion or amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any issue of Parity Bonds issued on a tax-exempt basis.

Trustee. The Trustee shall have no responsibility to monitor or calculate any amounts payable to the U.S. Treasury pursuant to this Section and shall be deemed constructively to have complied with its obligations hereunder if it follows the written instructions of the District given pursuant to this Section.

Improvement Fund. The moneys in the Improvement Fund shall be applied exclusively to pay for the Facilities. The moneys in the Improvement Fund shall be used and withdrawn by the Trustee from time to time to pay the costs of the Facilities, including but not limited to, the City Facilities, Flood District Facilities, and Water District Facilities upon submission to the Trustee of a Written Request of the District in a form attached as Exhibit C stating: (i) the person to whom payment is to be made, (ii) the amount to be paid which amount may be all or a portion of the amount to be paid pursuant to the statement or invoice submitted with such Written Request of the District, (iii) the purpose for which the obligation was incurred, and (iv) that such payment constitutes a cost of the Facilities or reimbursement to the City or Master Developer and is a proper charge against the Improvement Fund. If on the date that a Written Request of the District is submitted pursuant to this paragraph there are insufficient moneys in the Improvement Fund to pay in full the amount requested to be paid thereunder the amount remaining unpaid shall be paid as and to the extent that moneys are subsequently deposited in the Improvement Fund but only after the payment in full of all amounts requested pursuant to all previously-dated Written Requests of the District. The Trustee may conclusively rely on the Written Requests of the District submitted in accordance with this Section 3.8 as complete authorization for the disbursements made pursuant thereto and shall not be responsible for any representations or certifications made therein.

Upon the submission to the Trustee of a Written Certificate of the District (i) stating that the Facilities authorized to be financed from the Improvement Fund have been completed and that all costs of such Facilities have been paid or (ii) that the Facilities authorized to be financed from the Improvement Fund will be completed by a date certain (such date is projected to be June 30, 2028) the Trustee shall transfer any excess to the City to be distributed pursuant to the Development Documents. The District shall provide the Master Developer with 20 days prior written notice of the Districts intention to submit a Written Request of the District pursuant to this paragraph.

On the later of (i) the date that amounts are transferred pursuant to the Development Documents in accordance with a Certificate of an Authorized Representative of the City received pursuant to the preceding paragraph or (ii) the date that all of any amount retained in the Improvement Fund pursuant to the preceding paragraph is expended, the Improvement Fund shall be closed and the Trustee shall transfer the moneys remaining on deposit in the Improvement Fund pursuant to the Development Documents, as set forth in a Certificate of an Authorized Representative of the City.

Costs of Issuance Fund. The moneys in the Costs of Issuance Fund shall be disbursed by the Trustee pursuant to a Certificate of an Authorized Representative of the District, and any balance remaining therein after 180 days shall be transferred by the Trustee to the Interest Account of the Special Tax Fund. Following such transfer to the Interest Account of the Special Tax Fund, the Costs of Issuance Fund shall be closed.

Investments. Moneys held in any of the Accounts under the Indenture shall be invested by the Trustee or the District, as applicable, in accordance with the limitations set forth below only in Authorized Investments which shall be deemed at all times to be a part of such Accounts. Any loss resulting from such Authorized Investments shall be credited or charged to the Account from which such investment was made, and any investment earnings on amounts deposited in the Special Tax Fund, and each Account therein, shall be deposited in those respective Funds and Accounts. Moneys in the Accounts held under the Indenture may be invested by the District or the Trustee as directed in writing by the District, as applicable, from time to time, in Authorized Investments subject to the following restrictions:

Moneys in the Interest Account, the Principal Account, and the Redemption Account of the Special Tax Fund shall be invested only in Authorized Investments which will by their terms mature, or are available for withdrawal without penalty, on such dates so as to ensure the payment of Principal Amount, Accreted Value and Maturity Value of, premium, if any, and interest on the Bonds as the same become due.

Moneys in the Improvement Fund shall be invested in Authorized Investments which will by their terms mature, or in the case of an investment agreement are available without penalty, as close as practicable to the date the District estimates the moneys represented by the particular investment will be needed for withdrawal from the Improvement Fund. Notwithstanding anything herein to the contrary, the District shall instruct the Trustee that amounts in the Improvement Fund three years after the Delivery Date for the Bonds shall be invested only in Authorized Investments the interest on which is excluded from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals under the Code) or in Authorized Investments at a yield not in excess of the yield on the issue of Bonds, unless in the opinion of Bond Counsel such restriction is not necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes.

Moneys in the Reserve Account of the Special Tax Fund may be invested only in Authorized Investments (when possible) which, taken together, have a weighted average maturity not in excess of five years; provided that such amounts may be invested in an Investment Agreement to the later of the final maturity of the Bonds or any Parity Bonds so long as such amounts may be withdrawn at any time, without penalty, for application in accordance with Section 3.5; and provided that no such Authorized Investment of amounts in the Reserve Account allocable to the Bonds or an issue of Parity Bonds shall mature later than the respective final maturity date of the Bonds or the issue of Parity Bonds, as applicable

Moneys in the Rebate Fund shall be invested only in Authorized Investments of the type described in clause (1) of the definition thereof which by their terms will mature, as nearly as practicable, on the dates such amounts are needed to be paid to the United States Government pursuant to Section 3.7 or in Authorized Investments of the type described in clause (2)(e) of the definition thereof.

In the absence of written directions from the District, the Trustee shall hold such moneys uninvested.

The District or the Trustee, as applicable, shall sell, or present for redemption, any Authorized Investment whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer to such Accounts or from such Accounts to which such Authorized Investments is credited. For the purpose of determining at any given time the balance in any such Accounts, any such investments constituting a part of such Accounts shall be valued at the lower of the cost or the market value thereof, exclusive of accrued interest, at least semiannually. In making any valuations hereunder, the District or the Trustee, as applicable, may utilize such computerized securities pricing services as may be available to it, including, without limitation, those available through its regular accounting system, and conclusively rely thereon. Notwithstanding anything herein to the contrary, the District or the Trustee, as applicable, shall not be responsible for any loss from investments, sales or transfers undertaken in accordance with the provisions of the Indenture.

The Trustee or the District, as applicable, may act as principal or agent in the making or disposing of any investment. The Trustee or the District, as applicable, may sell, or present for redemption, any Authorized Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Authorized Investment is credited, and, subject to the provisions of Section 7.4, the Trustee or the District, as applicable, shall not be liable or responsible for any loss resulting from such investment. For investment purposes, the Trustee or the District, as applicable, may commingle the funds and accounts established hereunder, but shall account for each separately.

The District acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee will furnish the District periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder or brokers selected by the District. Upon the District's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the holding, acquisition or disposition of any investment. The parties hereto acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

COVENANTS AND WARRANTY

Warranty. The District shall preserve and protect the security pledged hereunder to the Bonds and any Parity Bonds against all claims and demands of all persons.

Covenants. So long as any of the Bonds or Parity Bonds issued hereunder are Outstanding and unpaid, the District makes the following covenants with the Bondowners under the provisions of the Act and the Indenture (to be performed by the District or its proper officers, agents or employees), which covenants are necessary and desirable to secure the Bonds and Parity Bonds and tend to make them more marketable; provided, however, that said covenants do not require the District to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

Punctual Payment; Against Encumbrances. The District covenants that it will receive all Special Taxes in trust for the Owners and will cause to be deposited all Special Taxes with the Trustee immediately upon their apportionment to the District, and the District shall have no beneficial right or interest in the amounts so deposited except as provided by the Indenture. All such Special Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

The District covenants that it will duly and punctually pay or cause to be paid the Principal Amount, Accreted Value and Maturity Value of and interest on every Bond and Parity Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and the Parity Bonds and in accordance with the Indenture to the extent that Special Taxes and other amounts pledged hereunder are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds, any Parity Bonds, and the Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and all Supplemental Indentures and of the Bonds and any Parity Bonds issued hereunder.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Special Taxes except as provided in the Indenture, and will not issue any obligation or security having a lien or charge upon the Special Taxes superior to or on a parity with the Bonds, other than Parity Bonds. Nothing herein shall prevent the District from issuing or incurring indebtedness which is payable from a pledge of Special Taxes which is subordinate in all respects to the pledge of Special Taxes to repay the Bonds and the Parity Bonds.

Levy of Special Tax. So long as any Bonds or Parity Bonds issued under the Indenture are Outstanding, the legislative body of the District covenants to levy the Special Tax (other than the One-Time Special Tax) in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and available for such purpose, to pay (1) the Principal Amount, Accreted Value and Maturity Value of and interest on the Bonds and any Parity Bonds when due, (2) the Administrative Expenses, (3) any amounts required to maintain the Reserve Account of the Special Tax Fund at the Reserve Requirement, and (4) any amounts due to the Bond Insurer not included in (1) through (3). The District further covenants to levy the One-Time Special Tax for the purposes set forth herein. The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

Pursuant to Section D of the Rate and Method of Apportionment, the District shall calculate and direct-bill the One-Time Special Tax. Once imposed pursuant to the Rate and Method of Apportionment, the One-Time Special Tax shall be deemed Prepayments and utilized exclusively to redeem the Bonds and Parity Bonds, as set forth herein.

Commence Foreclosure Proceedings. The District covenants that it will within 150 days of a delinquency in the payment of any Special Taxes (other than One-Time Special Tax) forthwith undertake and diligently prosecute foreclosure proceedings to collect such delinquent amounts provided however that if the amount collected from any source including Teeter Payments is greater than 92.5% of the aggregate amount of Special Taxes levied (other than One-Time Special Tax) and the amount in the Reserve Account is at least equal to the Reserve Requirement, the District shall not be required to undertake such foreclosure proceedings unless it is determined that any single property owner is delinquent in excess of \$25,000 in the payment of the Special Taxes applicable to such property owners property in which case the District shall diligently institute prosecute and pursue such foreclosure proceedings against such property. Upon the redemption or sale of the real property responsible for such delinquencies the District shall deposit in the Special Tax Fund the net proceeds of such redemption or sale. The District further covenants that it will within 60 days of a delinquency in the payment of any One-Time Special Taxes forthwith undertake and diligently prosecute foreclosure proceedings to collect such delinquent amounts.

Upon the redemption or sale of the real property responsible for such delinquencies the District shall deposit in the Special Tax Fund the net proceeds of such redemption or sale.

Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Special Taxes or other funds in the Special Tax Fund, or which might impair the security of the Bonds or any Parity Bonds then Outstanding;

provided that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

Books and Accounts. The District will keep proper books of records and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the Project, the levy of the Special Tax and the deposits to the Special Tax Fund. Such books of records and accounts shall at all times during business hours be subject to the inspection of the Trustee or of the Owners of not less than 10% of the Principal Amount and Maturity Value of the Bonds or the Owners of not less than 10% of any issue of Parity Bonds then Outstanding or their representatives authorized in writing.

Federal Tax Covenants. Notwithstanding any other provision of the Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds or Parity Bonds issued on a tax exempt basis for federal income tax purposes will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or any Parity Bonds or of any other moneys or property which would cause the Bonds or Parity Bonds issued on a tax exempt basis for federal income tax purposes to be “private activity bonds” within the meaning of Section 141 of the Code.

Arbitrage. The District will make no use of the proceeds of the Bonds or any Parity Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds or Parity Bonds issued on a tax exempt basis for federal income tax purposes to be “arbitrage bonds” within the meaning of Section 148 of the Code.

Federal Guaranty. The District will make no use of the proceeds of the Bonds or any Parity Bonds or take or omit to take any action that would cause the Bonds or Parity Bonds issued on a tax exempt basis for federal income tax purposes to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

Hedge Bonds. The District will make no use of the proceeds of the Bonds or any Parity Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds or Parity Bonds issued on a tax exempt basis for federal income tax purposes to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds and any applicable Parity Bonds.

Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed on the Delivery Date by the District in connection with the Bonds and any issue of Parity Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

Other Tax Exempt Issues. The District will not use proceeds of other tax exempt securities to redeem any Bonds or Parity Bonds without first obtaining the written opinion of Bond Counsel that doing so will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds issued on a tax exempt basis.

Subsequent Opinions. If the District obtains a subsequent opinion of Bond Counsel where such opinion is required in connection with a change or amendment to the Indenture or the procedures set forth in the Tax Certificate, it will obtain an opinion substantially to the effect originally delivered by the initial Bond Counsel for the Bonds that interest on the Bonds is excluded from gross income for federal income tax purposes.

Reduction of Maximum Special Taxes. The District hereby finds and determines that, historically, delinquencies in the payment of special taxes authorized pursuant to the Act in community facilities districts in Southern California have from time to time been at levels requiring the levy of special taxes at the maximum authorized rates in order to make timely payment of principal of and interest on the outstanding indebtedness of such community facilities districts. For this reason, the District hereby determines that a reduction in the maximum Special Tax rates authorized to be levied on parcels in the Improvement Area below the levels provided in this Section 5.2(g) would interfere with the timely retirement of the Bonds and Parity Bonds. The District determines it to be necessary in order to preserve the security for the Bonds and Parity Bonds to covenant, and, to the maximum extent that the law permits it to do so, the District hereby does covenant, that it shall not initiate proceedings to reduce the maximum Special Tax rates for the Improvement Area, unless, in connection therewith, (i) the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that, on the basis of the parcels of land and improvements existing in the Improvement Area as of the July 1 preceding the reduction, the maximum amount of the Special Tax which may be levied on then existing Developed Property in each Bond Year for any Bonds and Parity Bonds Outstanding will equal at least 110% of the sum of the estimated Administrative Expenses and gross debt service in each Bond Year on all Bonds and Parity Bonds to remain Outstanding after the reduction is approved, (ii) the District finds that any reduction made under such conditions will not adversely affect the interests of the Owners of the Bonds and Parity Bonds, and (iii) no Policy Costs or amounts under the Insurance Policy are due and payable to the Bond Insurer and (iv) the District is not delinquent in the payment of the Principal Amount, Accreted Value or Maturity Value of or interest on the Bonds or any Parity Bonds. For purposes of estimating Administrative Expenses for the foregoing calculation, the Independent Financial Consultants shall compute the Administrative Expenses for the current Fiscal Year and escalate that amount by two percent (2%) in each subsequent Fiscal Year.

Covenants to Defend. The District covenants that, in the event that any initiative is adopted by the qualified electors in the Improvement Area which purports to reduce the minimum or the maximum Special Tax below the levels specified in Section 5.2(g) or to limit the power of the District to levy the Special Taxes for the purposes set forth in Section 5.2(b), it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

Limitation on Right to Tender Bonds. The District hereby covenants that it will not adopt any policy pursuant to Section 53344.1 of the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the Principal Amount, Accreted Value and Maturity Value of and interest on the Bonds and Parity Bonds when due.

Continuing Disclosure. The District covenants to comply with the terms of the Continuing Disclosure Certificate and with the terms of any agreement executed by the District with respect to any Parity Bonds to assist the Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission, as amended; provided, however, that a failure to comply shall not be considered an event of default hereunder and the Owners shall be limited to enforcing the terms thereof in accordance with the terms of the Continuing Disclosure Certificate.

Further Assurances. The District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate

the performance of the Indenture and for the better assuring and confirming unto the Owners of the Bonds and any Parity Bonds of the rights and benefits provided in the Indenture.

Subordinate Debt. Any indebtedness of the District evidenced by any subordinated debt and any renewals or extensions thereof (herein called "Subordinated Indebtedness"), shall at all times be wholly subordinate and junior in right of payment to any and all indebtedness of the District under the Indenture (herein called "Superior Indebtedness"). Following an event of default under the Indenture, no Subordinated Indebtedness shall be paid prior to any Superior Indebtedness in any fiscal year of the District. If the holder of the Subordinated Indebtedness is a commercial bank, savings bank, savings and loan association or other financial institution which is authorized by law to accept and hold deposits of money or issue certificates of deposit, such holder must agree to waive any common law or statutory right of setoff with respect to any deposits of the District maintained with or held by such holder.

Pledged Special Taxes. The District represents it has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Special Taxes that ranks on a parity with or prior to the pledge granted under the Indenture. The District, except as may be provided otherwise in the Indenture, shall not hereafter make any pledge or assignment of, lien on, or security interest in the Special Taxes payable senior to or on a parity with the pledge of Special Taxes established under the Indenture.

AMENDMENTS TO INDENTURE

Supplemental Indentures or Orders Not Requiring Bondowner Consent. The District may from time to time, and at any time, without notice to or consent of any of the Bondowners, adopt Supplemental Indentures for any of the following purposes provided, however, that any such amendment or modification which adversely affects the rights and interests of the Bond Insurer shall require the prior written consent of the Bond Insurer:

to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under the Indenture or in any additional resolution or order, provided that such action is not materially adverse to the interests of the Bondowners;

to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in the Indenture, other covenants, agreements, limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Indenture as theretofore in effect or which further secure Bond or Parity Bond payments;

to provide for the issuance of any Parity Bonds, and to provide the terms and conditions under which such Parity Bonds may be issued, subject to and in accordance with the provisions of the Indenture;

to modify, amend or supplement the Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to comply with the Code or regulations issued thereunder, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds or any Parity Bonds then Outstanding; or

to modify, alter or amend the rate and method of apportionment of the Special Taxes in any manner so long as such changes do not reduce the maximum Special Taxes that may be levied in each year on Developed Property within the Improvement Area to an amount which is less than 110% of the sum of estimated Administrative Expenses and principal and interest due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such amendment;

to modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Bondowners; or

to modify, alter, amend or supplement the Indenture in any other respect, as may be required to fund all or a portion of the Reserve Requirement with a Reserve Policy.

Supplemental Indentures or Orders Requiring Bondowner Consent. Exclusive of the Supplemental Indentures described in Section 6.1, the Owners of not less than a majority in aggregate Principal Amount and Maturity Value of the Bonds and Parity Bonds Outstanding shall have the right to consent to and approve the adoption by the District of such Supplemental Indentures as shall be deemed necessary or desirable by the District, for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided, however, that nothing herein shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond or Parity Bond, (b) a reduction in the Principal Amount or Maturity Value of, or redemption premium on, any Bond or Parity Bond or the rate of interest thereon, (c) a preference or priority of any Bond or Parity Bond over any other Bond or Parity Bond, or (d) a reduction in the aggregate Principal Amount and Maturity Value of the Bonds and Parity Bonds the Owners of which are required to consent to such Supplemental Indenture, without the consent of the Owners of all Bonds and Parity Bonds then Outstanding.

If at any time the District shall desire to adopt a Supplemental Indenture, which pursuant to the terms of this Section shall require the consent of the Bondowners, the District shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplemental Indenture. The Trustee shall, at the expense of the District, cause notice of the proposed Supplemental Indenture to be mailed, by first class mail, postage prepaid, to all Bondowners at their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Bondowners. The failure of any Bondowners to receive such notice shall not affect the validity of such Supplemental Indenture when consented to and approved by the Owners of not less than a majority in aggregate Principal Amount and Maturity Value of the Bonds and Parity Bonds Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate Principal Amount and Maturity Value of the Bonds and Parity Bonds Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice, and shall specifically consent to and approve the adoption thereof by the District substantially in the form of the copy referred to in such notice as on file with the Trustee, such proposed Supplemental Indenture, when duly adopted by the District, shall thereafter become a part of the proceedings for the issuance of the Bonds and any Parity Bonds. In determining whether the Owners of a majority of the aggregate Principal Amount and Maturity Value of the Bonds and Parity Bonds have consented to the adoption of any Supplemental Indenture, Bonds or Parity Bonds which are owned by the District or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination.

Upon the adoption of any Supplemental Indenture and the receipt of consent to any such Supplemental Indenture from the Owners of not less than a majority in aggregate Principal Amount and Maturity Value of the Outstanding Bonds and Parity Bonds in instances where such consent is required pursuant to the provisions of this section, the Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the District and all Owners of Outstanding Bonds and Parity Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by Sections 6.1 and 6.2 which affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

Notwithstanding the foregoing, so long as the Insurance Policy is in full force and effect, any amendment, supplement, modification to, or waiver of, the Indenture pursuant to this Section 6.2, shall be subject to the prior written consent of the Bond Insurer.

Notation of Bonds or Parity Bonds; Delivery of Amended Bonds or Parity Bonds. After the effective date of any action taken as hereinabove provided, the District may determine that the Bonds or any Parity Bonds may bear a notation, by endorsement in form approved by the District, as to such action, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date and presentation of his Bond or Parity Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bonds or Parity Bonds. If the District shall so determine, new Bonds or Parity Bonds so modified as, in the opinion of the District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date such new Bonds or Parity Bonds shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner of Outstanding Bonds or Parity Bonds, upon surrender of such Outstanding Bonds or Parity Bonds.

TRUSTEE

Trustee. U.S. Bank Trust Company National Association, shall be the Trustee for the Bonds and any Parity Bonds unless and until another Trustee is appointed by the District hereunder. The District may, at any time, appoint a successor Trustee satisfying the requirements of Section 7.2 for the purpose of receiving all money which the District is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in the Indenture.

The Trustee is hereby authorized to and shall mail by first class mail, postage prepaid, or wire transfer in accordance with Section 2.5, interest payments to the Bondowners, to select Bonds and Parity Bonds for redemption, and to maintain the Bond Register. The Trustee is hereby authorized to pay the principal of and premium, if any, on the Bonds and Parity Bonds when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds and Parity Bonds presented to it for such purposes, to provide for the cancellation of Bonds and Parity Bonds all as provided in the Indenture, and to provide for the authentication of Bonds and Parity Bonds, and shall perform all other duties assigned to or imposed on it as provided in the Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds and Parity Bonds paid, discharged and cancelled by it.

The Trustee is hereby authorized to redeem the Bonds and Parity Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel all Bonds and Parity Bonds upon payment thereof in accordance with the provisions of Section 10.1.

The District shall from time to time, subject to any agreement between the District and the Trustee then in force, pay to the Trustee compensation for its services, reimburse the Trustee for all its advances and expenditures, including, but not limited to, advances to and fees, costs and expenses of independent accountants or counsel employed by it in the exercise and performance of its powers and duties hereunder, and indemnify and save the Trustee, its officers, officials, directors, employees and agents, harmless from and against any losses, costs, damages, claims, expenses and liabilities, including, without limitation fees, costs and expenses of its attorneys, not arising from its own negligence or willful misconduct as finally adjudicated by a court of competent jurisdiction which it may incur in the exercise and performance of its powers and duties hereunder. In no event shall the Trustee be responsible or liable for any consequential, punitive, indirect, incidental or special damages or loss of any kind whatsoever (including, but not limited to, loss of

profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The foregoing obligation of the District to indemnify the Trustee shall survive the removal or resignation of the Trustee and the discharge of the Bonds and Parity Bonds.

Removal of Trustee. The District may at any time at its sole discretion remove the Trustee initially appointed, and any successor thereto, by delivering to the Trustee a written notice of its decision to remove the Trustee and may appoint a successor or successors thereto; provided that any such successor shall be a bank, association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. Any removal shall become effective only upon acceptance of appointment by the successor Trustee. If any bank, association or trust company appointed as a successor publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section the combined capital and surplus of such bank, association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee and notice being sent by the successor Trustee to the Bondowners of the successor Trustee's identity and address.

Resignation of Trustee. The Trustee may at any time resign and discharged from its duties and obligations hereunder by giving written notice to the District and by giving to the Owners notice of such resignation, which notice shall be sent to the Owners at their addresses appearing in the registration books in the office of the Trustee. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee satisfying the criteria in Section 7.2 by an instrument in writing. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within thirty (30) calendar days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of itself and all other Owners) may, at the sole expense of the District petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee.

Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds and any Parity Bonds shall be taken as statements, promises, covenants and agreements of the District, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of the Indenture, the Bonds or any Parity Bonds, and shall incur no responsibility in respect thereof, other than in connection with its duties or obligations specifically set forth herein, in the Bonds and any Parity Bonds, or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds or any Parity Bonds for value. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for any action taken or omitted by it or any of its officers, employees or agents in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture. The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall be entitled to request and receive written instructions from the District and/or Owners and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with the written direction of any such party. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the written direction of the Owners of not less than a majority in aggregate Principal Amount and Maturity Value of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of an Owner and/or the District, pursuant to the provisions of the Indenture, unless such party shall have offered to the Trustee security or indemnity (satisfactory to the Trustee in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction.

Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the District or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other person. The Trustee shall be conclusively protected in acting upon any notice, resolution, request, direction, consent, order, certificate, opinion, report, bond, debenture, note, other evidence of indebtedness (including any Bond or Parity Bond) or other paper or document believed by it to be genuine and to have been signed, sent or presented by the proper person or persons, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. The Trustee may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond or Parity Bond unless and until such Bond or Parity Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, be deemed to be conclusively proved and established by a written certificate of the District, and/or opinion of counsel, and such certificate or opinion shall be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it shall actually receive. No provision in the 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 not be deemed to have knowledge of (A) any events of other information, or (B) any default or event of default until an officer at the Trustee's corporate trust officer responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at its corporate trust office.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, war, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, loss or malfunctions of utilities, computer (hardware or software) or communications service, accidents, labor disputes, the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and

unusually severe weather or delays of supplies or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty or in any way expand or impliedly expand the scope of the Trustee's duties hereunder, and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct.

The Trustee shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Trustee in accordance with the advice of counsel or other professionals retained or consulted by the Trustee. The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

The Trustee may become the Owner or pledgee of the Bonds and Parity Bonds with the same rights it would have if it were not Trustee.

The Trustee shall perform such duties and only such duties as are specifically set forth in the Indenture and no implied duties or obligations shall be read into the Indenture against the Trustee. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into the Indenture against the Trustee.

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

The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee agrees to accept and act upon facsimile or electronic transmission of written instructions and/or directions pursuant to the Indenture provided, however, that: (a) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (b) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person. Any such instructions and directions furnished by electronic transmission shall be in the form of attachments in PDF format.

Notwithstanding anything to the contrary herein, the Trustee shall have no duty to prepare or file any Federal or state tax report or return with respect to any funds held pursuant to the Indenture or any income earned thereon, except for the delivery and filing of tax information reporting forms required to be delivered and filed with the Internal Revenue Service.

Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which

it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

EVENTS OF DEFAULT; REMEDIES

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

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

Default in the due and punctual payment of the interest on any Bond or Parity Bond when and as the same shall become due and payable; or

Except as described in (a) or (b), default shall be made by the District in the observance of any of the agreements, conditions or covenants on its part contained in the Indenture, the Bonds or any Parity Bonds, and such default shall have continued for a period of 30 days after the District shall have been given notice in writing of such default by the Trustee or the Owners of 25% in aggregate Principal Amount and Maturity Value of the Outstanding Bonds and Parity Bonds; provided, however, that if in the reasonable opinion of the District the default stated in the notice can be corrected, but not within such thirty (30) day period, and corrective action is instituted by the District, with the written approval of the Bond Insurer (so long as the Bond Insurer has not defaulted on any obligation under the Insurance Policy), within such thirty (30) day period and diligently pursued in good faith until the default is corrected, such default shall not be an Event of Default hereunder.

The Trustee agrees to give notice to the Owners immediately upon the occurrence of an event of default under (a) or (b) and within 30 days of the Trustee’s knowledge of an event of default under (c).

Remedies of Owners. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds and Parity Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture, including:

By mandamus or other suit or proceeding at law or in equity to enforce its 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 the Indenture;

By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

By a suit in equity to require the District and its members, officers and employees to account as the Trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of at least twenty-five percent (25%) in aggregate Principal Amount and Maturity Value Outstanding Bonds and Parity Bonds and is indemnified to its satisfaction, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of the Bonds and Parity Bonds.

No remedy herein conferred upon or reserved to the Trustee or 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.

The Bonds and any Parity Bonds are not subject to acceleration prior to maturity.

Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of the Indenture relating to the Bonds and Parity Bonds shall be applied by the Trustee in the following order upon presentation of the several Bonds and Parity Bonds:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in carrying out the provisions of this Article VIII, including reasonable compensation to its agents, attorneys and counsel, and to the payment of all other outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount of interest on and principal of the Bonds and Parity Bonds then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds and Parity Bonds; provided, however, that in the event such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied in the following order of priority:

first to the payment of all installments of interest on the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing,

second, to the payment of all installments of principal, including Sinking Fund Payments, of the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing, and

third, to the payment of interest on overdue installments of principal and interest on the Bonds and Parity Bonds on a pro rata basis based on the total amount then due and owing.

Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of twenty-five percent (25%) in aggregate Principal Amount and Maturity Value of the Bonds and Parity Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds and Parity Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate Principal Amount and Maturity Value of the Outstanding Bonds and Parity Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other such litigation. Any suit, action or proceeding which any Owner of Bonds or Parity Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds and Parity Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds and Parity Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the respective Owners of the Bonds and Parity Bonds for the purposes of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds and Parity Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of the Bonds and Parity Bonds under the Indenture, the Trustee shall be entitled, as a matter of right,

to the appointment of a receiver or receivers of the Special Taxes and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Non-Waiver. Nothing in this Article or in any other provision of the Indenture, or in the Bonds or the Parity Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds and Parity Bonds to the respective Owners of the Bonds and Parity Bonds at the respective dates of maturity, as herein provided, out of the Special Taxes and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds or Parity Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or the Owners by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

Limitations on Rights and Remedies of Owners. No Owner of any Bond or Parity Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate Principal Amount and Maturity Value of all the Bonds and Parity Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds and Parity Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds and Parity Bonds shall have any right in any manner whatever by his or their action to enforce any right under the Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds and Parity Bonds.

The right of any Owner of any Bond and Parity Bond to receive payment of the principal of and interest and premium (if any) on such Bond and Parity Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of the Indenture.

Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under the Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the District, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

DEFEASANCE AND PARITY BONDS

Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond or Parity Bond the interest due thereon and the principal thereof, at the times

and in the manner stipulated in the Indenture or any Supplemental Indenture, then the Owner of such Bond or Parity Bond shall cease to be entitled to the pledge of Special Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond or Parity Bond under the Indenture and any Supplemental Indenture relating to such Parity Bond shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds and Parity Bonds pursuant to this Section, the Trustee shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the District's general fund all money or securities held by it pursuant to the Indenture which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds and Parity Bonds.

Any Outstanding Bond or Parity Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond or Parity Bond is paid in any one or more of the following ways:

by paying or causing to be paid the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same become due and payable;

by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable on and prior to the maturity date or redemption date thereof, as applicable; or

by depositing with the Trustee or another escrow bank appointed by the District, in trust, Defeasance Securities, in which the District may lawfully invest its money, in such amount as will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund and available for such purpose, together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable on and prior to the maturity date or redemption date thereof, as applicable; then, at the election of the District, and notwithstanding that any Outstanding Bonds and Parity Bonds shall not have been surrendered for payment, all obligations of the District under the Indenture and any Supplemental Indenture with respect to such Bond or Parity Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owners of any such Bond or Parity Bond not so surrendered and paid, all sums due thereon. Notice of such election shall be filed with the Trustee not less than ten days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Trustee. In connection with a defeasance under (c), there shall be provided to the District and the Bond Insurer (in the case of the Insured Bonds only) a verification report from an independent nationally recognized certified public accountant, stating its opinion as to the sufficiency of the moneys or securities deposited with the Trustee or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds and Parity Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, an escrow agreement with respect to the deposits under (b) and (c) (which shall be acceptable in form and substance to the Bond Insurer, so long as the Bond Insurer has not defaulted on any obligation under the Insurance Policy and as to the Insured Bonds only), and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds or Parity Bonds being defeased have been legally defeased in accordance with the Indenture and any applicable Supplemental Indenture. In the case of the Insured Bonds only, the Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five Business Days prior to the funding of the escrow.

The Bonds shall be deemed Outstanding under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

Upon a defeasance, the Trustee, upon request of the District, shall release the rights of the Owners of such Bonds and Parity Bonds which have been defeased under the Indenture and any Supplemental Indenture and execute and deliver to the District all such instruments as may be desirable to evidence such release,

discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds and Parity Bonds, the Trustee shall pay over or deliver to the District any funds held by the Trustee at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds and Parity Bonds when due. The Trustee shall, at the written direction of the District, send a notice to the Bondowners whose Bonds or Parity Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

The Indenture shall not be discharged until Policy Costs due to the Bond Insurer (to the extent the responsibility of the District as a result of the District's failure to pay principal of, or interest on the Bonds when due) shall have been paid in full. The District's obligation to pay such amounts shall expressly survive payment in full of the payments of principal of and interest on the Bonds.

Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness. The District may at any time after the issuance and delivery of the Bonds hereunder issue Parity Bonds payable from the Special Taxes and other amounts deposited in the Special Tax Fund and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued hereunder or under any Supplemental Indenture. Parity Bonds may be issued subject to the following additional specific conditions, which are hereby made conditions precedent to the issuance of any such Parity Bonds:

The District shall be in compliance with all covenants set forth in the Indenture and any Supplemental Indenture then in effect and a certificate of the District to that effect shall have been filed with the Trustee; provided, however, that Parity Bonds may be issued notwithstanding that the District is not in compliance with all such covenants so long as immediately following the issuance of such Parity Bonds the District will be in compliance with all such covenants.

The issuance of such Parity Bonds shall have been duly authorized pursuant to the Act and all applicable laws, and the issuance of such Parity Bonds shall have been provided for by a Supplemental Indenture duly adopted by the District which shall specify the following:

the purpose for which such Parity Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited;

the authorized principal amount of such Parity Bonds;

the date and the maturity date or dates of such Parity Bonds; provided that (i) each maturity date shall fall on a September 1, (ii) all such Parity Bonds of like maturity shall be identical in all respects, except as to number, and (iii) fixed serial maturities or Sinking Fund Payments, or any combination thereof, shall be established to provide for the retirement of all such Parity Bonds on or before their respective maturity dates;

the description of the Parity Bonds, the place of payment thereof and the procedure for execution and authentication;

the denominations and method of numbering of such Parity Bonds;

the amount and due date of each mandatory Sinking Fund Payment, if any, for such Parity Bonds;

the amount, if any, to be deposited from the proceeds of such Parity Bonds in the Reserve Account of the Special Tax Fund to increase the amount therein to the Reserve Requirement, provided that if the interest on such Parity Bonds is intended by the District to be excluded from the gross income of the recipients thereof for federal income tax purposes, such amount shall not exceed the maximum amount of proceeds that, in the opinion of Bond Counsel, can be so deposited without causing the interest on such Parity Bonds to be included in the gross income of the recipients thereof for federal income tax;

the form of such Parity Bonds; and

such other provisions as are necessary or appropriate and not inconsistent with the Indenture.

The District shall have received the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Parity Bonds by the Trustee (unless the Trustee shall accept any of such documents bearing a prior date):

a certified copy of the Supplemental Indenture authorizing the issuance of such Parity Bonds;

a written request of the District as to the delivery of such Parity Bonds;

an opinion of Bond Counsel to the District to the effect that (i) the District has the right and power under the Act to adopt the Supplemental Indenture relating to such Parity Bonds, and the Supplemental Indenture has been duly and lawfully adopted by the District, is in full force and effect and is valid and binding upon the District and enforceable in accordance with its terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights); (ii) the Indenture creates the valid pledge which it purports to create of the Special Taxes and other amounts as provided in the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; and (iii) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of the Indenture and all Supplemental Indentures thereto and are entitled to the benefits of the Indenture and all such Supplemental Indentures, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and the Indenture and all such Supplemental Indentures; and a further opinion of Bond Counsel to the effect that, assuming compliance by the District with certain tax covenants, the issuance of the Parity Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds theretofore issued on a tax exempt basis, or the exemption from State of California personal income taxation of interest on any Outstanding Bonds and Parity Bonds theretofore issued;

a certificate of the District containing such statements as may be reasonably necessary to show compliance with the requirements of the Indenture;

where the Parity Bonds are issued solely to refund the Bonds or other Parity Bonds, a certificate of an Independent Financial Consultant certifying that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds;

where the Bonds are being issued other than solely to refund the Bonds or other Parity Bonds, a Certificate of the Special Tax Administrator certifying that (i) the maximum Special Taxes that may be levied in each Fiscal Year on parcels that are Developed Property is not less than 125% of the Annual Debt Service in the Bond Year that begins in such Fiscal Year; and (ii) the Value of District Property is not less than eight (8) times the sum of Direct Debt for District Property plus Overlapping Debt allocable to all property in Improvement Area 11 subject to the Special Tax. For purposes of the foregoing Certificate of the Special Tax Administrator, all calculations shall consider the Parity Bonds proposed to be issued to be Outstanding; and

Such further documents, money and securities as are required by the provisions of the Indenture and the Supplemental Indenture providing for the issuance of Parity Bonds.

MISCELLANEOUS

Cancellation of Bonds and Parity Bonds. All Bonds and Parity Bonds surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond or Parity Bond purchased by the District as authorized herein and delivered to the Trustee for such purpose shall be, cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds and Parity Bonds, as provided by law, and furnish to the District a certificate of such destruction.

Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by the Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds or Parity Bonds shall be sufficient for the purposes of the Indenture (except as otherwise herein provided), if made in the following manner:

The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

As to any Bond or Parity Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond or Parity Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond or Parity Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the District nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in the Indenture shall be construed as limiting the Trustee or the District to such proof, it being intended that the Trustee or the District may accept any other evidence of the matters herein stated which the Trustee or the District may deem sufficient. Any request or consent of the Owner of any Bond or Parity Bond shall bind every future Owner of the same Bond or Parity Bond in respect of anything done or suffered to be done by the Trustee or the District in pursuance of such request or consent.

Unclaimed Moneys. Anything in the Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Outstanding Bonds and Parity Bonds which remain unclaimed for two years after the date when such Outstanding Bonds or Parity Bonds have become due and payable, if such money was held by the Trustee in trust at such date, or for two years after the date of deposit of such money if deposited with the Trustee in trust after the date when such Outstanding Bonds or Parity Bonds become due and payable, shall be repaid by the Trustee to the District, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Outstanding Bonds or Parity Bonds; provided, however, that, before being required to make any such payment to the District, the Trustee at the written request of the District shall, at the expense of the District, cause to be mailed by first-class mail, postage prepaid, to the registered Owners of such Outstanding Bonds or Parity Bonds at their addresses as they appear on the registration books of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

Provisions Constitute Contract. The provisions of the Indenture shall constitute a contract between the District and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action or proceeding be abandoned, or be determined adversely to the Bondowners or the Trustee, then the District, the Trustee and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds the Indenture shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in the Indenture, but to no greater extent and in no other manner.

Future Contracts. Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Special Taxes which is subordinate to the pledge hereunder, or which is payable from the general fund of the District or from taxes or any source other than the Special Taxes and other amounts pledged hereunder.

Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the Bonds or any Parity Bonds the rights and benefits provided in the Indenture.

Entire Agreement; Severability. This Agreement and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written. If any covenant, agreement or provision, or any portion thereof, contained in the Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of the Indenture and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and the Indenture, the Bonds and any Parity Bonds issued pursuant hereto shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Notices. Any notices required to be given to the District with respect to the Bonds or the Indenture shall be mailed, first class, postage prepaid, or personally delivered to the Interim City Manager of the City, 1 Civic Center Plaza, Irvine, CA 92606, and all notices to the Trustee shall be sent via courier or fax or electronic transmission or mailed, first class, postage prepaid, or personally delivered to the Trustee, U.S. Bank Trust Company National Association, 633 West Fifth Street, 24th Floor, Los Angeles, CA 90071, Attention: Global Corporate Trust. Any such notices or other communications furnished by electronic transmission shall be in the form of attachments in PDF format. Any notices required to be given to the Bond Insurer with respect to the Bonds or the Indenture shall be provided as set forth in Section 11.7 herein.

MUNICIPAL BOND INSURANCE POLICY AND RESERVE POLICY

Rights of the Bond Insurer. As long as the Insurance Policy is in full force and effect, the District and the Trustee agree to comply with the following provisions, notwithstanding anything in the Indenture to the contrary.

The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any other credit instrument, other than the Reserve Policy, provided in lieu of a cash deposit into the Reserve Account. Amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on Outstanding Bonds, and the Trustee shall draw on the District Reserve Subaccounts of the Reserve Account to

pay debt service and exhaust amounts on deposit or otherwise available therein prior to making any claim on the Reserve Policy.

Upon the occurrence and continuance of a default or an event of default, the Bond Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Insured Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Insured Bond, any reorganization or liquidation plan with respect to the District must be acceptable to the Bond Insurer. The Trustee (solely with respect to the Insured Bonds) and each Owner of an Insured Bond hereby appoint the Bond Insurer as their agent and attorney-in-fact with respect to the Insured Bonds and agree that the Bond Insurer may at any time during the continuation of any proceeding by or against the District under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee (solely with respect to the Insured Bonds) and each Owner of an Insured Bond delegate and assign to the Bond Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Owner of an Insured Bond in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Owners of Bonds shall expressly include mandamus.

The exercise of any provision of the Indenture which permits the purchase of Insured Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer if any Insured Bond so purchased is not cancelled upon purchase.

The rights granted to the Bond Insurer under the Indenture to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the Insured Bonds and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Owners of the Insured Bonds or any other person is required in addition to the consent of the Bond Insurer.

Each of the District and the Trustee, to the extent directed by the District, at the expense of the District, covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Revenues under applicable law.

The Bond Insurer is hereby deemed a third party beneficiary to the Indenture and any Security Documents and may enforce the provisions of the Indenture and any Security Documents as if it were a party hereto and thereto.

Whenever any Security Document requires the consent of holders of the Insured Bonds, the Bond Insurer's consent shall also be required. In addition, any amendment, supplement, modification to, or waiver of, any of the Security Documents that adversely affects the rights or interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

Payments under the Insurance Policy.

In the event that principal, interest and/or Accreted Value and Maturity Value due on the Insured Obligations shall be paid by the Bond Insurer pursuant to the Policy, the Insured Obligations shall remain

outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the District to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer and the Bond Insurer shall be subrogated to the rights of such registered owners.

In the event that on the second (2nd) business day prior to any payment date on the Insured Obligations, the Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on such payment date, the Trustee shall immediately notify the Bond Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify the Bond Insurer or its designee.

In addition, if the Trustee has notice that any holder of the Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Trustee shall notify the Bond Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Bond Insurer.

The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of Insured Obligations as follows:

If there is a deficiency in amounts required to pay interest, principal and/or Accreted Value and Maturity Value on the Insured Obligations, the Trustee shall (i) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent and attorney-in-fact for such holders of the Insured Obligations in any legal proceeding related to the payment and assignment to the Bond Insurer of the claims for interest on the Insured Obligations, (ii) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the Policy payment from the Bond Insurer with respect to the claims for interest so assigned, (iii) segregate all such payments in a separate account (the "Policy Payment Account") to only be used to make scheduled payments of principal of and interest on the Insured Obligations, and (iv) disburse the same to such respective holder; and

If there is a deficiency in amounts required to pay principal and/or Accreted Value and Maturity Value of the Insured Obligations, the Trustee shall (i) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent and attorney-in-fact for such holder of the Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to the Bond Insurer of the Insured Obligations surrendered to the Bond Insurer, (ii) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the Policy payment therefore from the Bond Insurer, (iii) segregate all such payments in the Policy Payment Account to only be used to make scheduled payments of principal, interest, and/or Accreted Value and Maturity Value on the Insured Obligations, and (iv) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Obligations paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to the Bond Insurer, registered in the name directed by the Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provide that the Trustee's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of principal, interest, and/or Accreted Value and Maturity Value payable by the District on any Insured Obligation or the subrogation or assignment rights of the Bond Insurer.

Payments with respect to claims for interest, principal, and/or Accreted Value and Maturity Value, of Insured Obligations disbursed by the Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the District with respect to such Insured Obligations, and the Bond Insurer shall become the owner of such unpaid Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Security Documents shall not be discharged or terminated unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

Irrespective of whether any such assignment is executed and delivered, the District and the Trustee agree for the benefit of the Bond Insurer that:

They recognize that to the extent the Bond Insurer makes payments directly or indirectly (*e.g.*, by paying through the Trustee), on account of principal, interest, and/or Accreted Value and Maturity Value, on the Insured Obligations, the Bond Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the District, with interest thereon, as provided and solely from the sources stated in the Security Documents and the insured Obligations; and

They will accordingly pay to the Bond Insurer the amount of such principal, interest, and/or Accreted Value and Maturity Value, with interest thereon as provided in the transaction documents and the Insured Obligations, but only from the sources and in the manner provided for the payment of principal of and interest on the Insured Obligations to holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal, interest, and/or Accreted Value and Maturity Value.

Notwithstanding anything herein to the contrary, the District agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Policy ("Policy Payment"); and (ii) interest on such Policy Payments from the date paid by the Bond Insurer until payment thereof in full by the District, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, "Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, Reimbursement Amounts shall be, and the District hereby covenants and agrees that the Reimbursement Amounts are, payable from and secured by a lien on that pledge of the same revenues and other collateral pledged to the Insured Obligations on a parity with debt service on the Insured Obligations.

Amounts Paid by Bond Insurer. Amounts paid by the Bond Insurer under the Insurance Policy and the Reserve Policy shall not be deemed paid for purposes of the Indenture and the Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the District in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

Reimbursement of Bond Insurer Fees. The District shall pay or reimburse the Bond Insurer from Special Taxes for any amounts paid by the Bond Insurer under the Insurance Policy, including any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security under any Security Document; (ii) the pursuit of any remedies under the Indenture or any other Security Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Security Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or any other Security Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Security Document. The District agrees that failure to pay any such fees on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Bond Insurer until the date the Bond Insurer is paid in full.

Provision of Information to Bond Insurer. The Bond Insurer shall be provided with the following information by the District or the Trustee, as the case may be:

On request by the Bond Insurer, the District will provide a certificate that the District is not aware of any Event of Default under the Indenture and will provide such information, data or reports as the Bond Insurer shall reasonably request from time to time.

Notice of any draw upon the Reserve Account within two Business Days after knowledge thereof other than withdrawals of amounts in excess of the Reserve Requirement;

Notice of any default known to the Trustee or the District within five Business Days after knowledge thereof;

Prior notice of the redemption of any of the Bonds or the Local Obligations, including the Principal Amount or Maturity Value, maturities and CUSIP numbers thereof;

Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

Notice of the commencement of any Insolvency Proceeding by or against the District;

Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of Principal Amount, Accreted Value and Maturity Value of, or interest on, the Bonds;

A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Security Documents;

All reports, notices and correspondence to be delivered to Bond Owners under the terms of the Security Documents; and

All information furnished to Bond Owners pursuant to the Continuing Disclosure Certificate shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

In addition, the Bond Insurer shall have the right to receive such additional information as it may reasonably request.

Discussion of and Access to Information. The District shall permit the Bond Insurer to discuss the affairs, finances and accounts of the District or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the District and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the District on any Business Day upon reasonable prior notice.

Notice to Bond Insurer by Trustee. [reserved]

Effect of Insurance Policy. In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Insured Bonds or the rights of the Owners of the Insured Bonds, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

Impairment of Bond Insurer's Rights. No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

Bond Insurer Rights. (a) Policy costs due and owing to the Bond Insurer shall be included in the debt service requirements for purposes of calculation of the additional Parity Bonds test set forth in Section 9.2 herein and (b) the Bond Insurer is hereby deemed a third party beneficiary to the Indenture.

Defeasance. The investments in the defeasance escrow relating to Insured Obligation shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise may be authorized under State law and approved by the Bond Insurer.

At least three (3) Business Days prior to any defeasance with respect to the Insured Obligations, the District shall deliver to the Bond Insurer draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Obligations, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the Bond Insurer and shall be in form and substance satisfactory to the Bond Insurer. In addition, the escrow agreement shall provide that:

Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of the Bond Insurer, which consent will not be unreasonably withheld.

The District will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the bonds, and (ii) as a condition to any such redemption there shall be provided to the Bond Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

The District shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Bond Insurer.

Trustee.

The Bond Insurer shall receive prior written notice of any name change of the Trustee for the Insured Obligations or the resignation or removal of the Trustee. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (C) otherwise approved by the Bond Insurer in writing.

No removal, resignation or termination of the Trustee shall take effect until a successor, meeting the requirements above or acceptable to the Bond Insurer, shall be qualified and appointed.

Amendments, Supplements and Consents. The Bond Insurer's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The District shall send copies of any such amendments or supplements to the Bond Insurer and the rating agencies which have assigned a rating to the Insured Obligations.

Consent of the Bond Insurer. Any amendments or supplements to the Security Documents shall require the prior written consent of the Bond Insurer with the exception of amendments or supplements:

To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereof, or

To grant or confer upon the holders of the Insured Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Obligations, or

To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to observed, or

To add to the covenants and agreements of the District in the Security Documents other covenants and agreements thereafter to be observed by the District or to surrender any right or power therein reserved to or conferred upon the District.

To issue additional parity debt in accordance with the requirements set forth in the Indenture (unless otherwise specified herein).

Control by the Bond Insurer Upon Default. Anything in the Security Documents to the contrary, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Bonds or the Trustee for the benefit of the holders of the Insured Bonds under any Security Document. No default or event of default may be waived without the Bond Insurer's written consent.

Consent of the Bond Insurer for acceleration. The Bond Insurer's prior written consent is required as a condition precedent to and in all instances of acceleration.

Grace Period for Payment Defaults. No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of the Bond Insurer.

Special Provision for Insurer Defaults. If an Insurer Default shall occur and be continuing, then, notwithstanding anything provided above to the contrary, (1) if at any time prior to or following an Insurer Default, the Bond Insurer has made payment under the Policy to the extent of such payment the Bond Insurer shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents and (2) if the Bond Insurer has not made any payment under the Policy, the Bond Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the Bond Insurer makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) the Bond Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) the Bond Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, Trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Bond Insurer (including without limitation under the New York Insurance Law).

Acceleration. the Bond Insurer shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the District (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the

maturity thereof in accordance with the Security Documents, whether or not the Bond Insurer has received a claim upon the Policy.

Procedure Upon Default. If an event of default occurs under any agreement pursuant to which any Obligation of the District has been incurred or issued and that permits the holder of such Obligation or Trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Obligations or the Bond Insurer, as the Bond Insurer may determine in its sole discretion, then an event of default shall be deemed to have occurred under the Indenture and the related Security Documents for which the Bond Insurer or the Trustee, at the direction of the Bond Insurer, shall be entitled to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing, "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Obligations.

Municipal Bond Debt Service Reserve Insurance Policy.

The District shall repay the Bond Insurer any draws under the Reserve Policy and pay all related reasonable charges, fees, costs, losses, liabilities and expenses ("Administrative Expenses") that the Bond Insurer may pay or incur. Interest shall accrue and be payable on such draws and Administrative Expenses from the date of payment by the Bond Insurer at the Late Payment Rate.

Repayment of draws and payment of Administrative Expenses and interest accrued thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Bond Insurer on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Reserve Account that secures the Insured Obligations shall be transferred to the debt service fund for payment of the debt service on the Insured Obligations before any drawing may be made on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Account lieu of cash (the "Alternative Credit Instrument").

Payment of any Policy Costs shall be made prior to replenishment of any cash amounts. Draws on all Alternative Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the available coverage under each such Alternative Credit Instrument) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Alternative Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

Draws on the Reserve Policy may only be used to make payments on the Bonds (and for the avoidance of doubt, not any other obligations of the District, whether issued on parity with the Bonds, or otherwise).

If the District shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a), the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including

those provided under the Security Documents other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds.

The Security Documents shall not be discharged until all Policy Costs owing to the Bond Insurer shall have been paid in full. The District's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

In order to secure the District's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of the Bond Insurer a security interest (subordinate only to that of the owners of the Insured Obligations) in all revenues and collateral pledged as security for the Bonds.

The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) and shall provide notice to the Bond Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the District with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to the Bond Insurer of any failure of the District to make timely payment in full of such deposits within two business days of the date due.

The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and rate covenant in the Security Documents.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of November 1, 2025 (the “Disclosure Agreement”), is entered into by and between the City of Irvine Community Facilities District No. 2013-3 (Great Park) (the “District”), and Willdan Financial Services, as dissemination agent (the “Dissemination Agent”), in connection with the issuance by the District of its \$ _____ Improvement Area No. 11 2025 Special Tax Bonds (the “Bonds”). The Bonds are being issued pursuant to a Bond Indenture, dated as of November 1, 2025 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The District and the Dissemination Agent hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term “Annual Report” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

Beneficial Owner. The term “Beneficial Owner” means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

City. The term “City” means the City of Irvine.

Disclosure Representative. The term “Disclosure Representative” means the City Manager of the City, or his or her designee, or such other officer or employee as the City shall designate in writing to the Dissemination Agent from time to time.

Dissemination Agent. “Dissemination Agent” means, initially, Willdan Financial Services, or any successor Dissemination Agent designated in writing by the District which has filed with the then-current Dissemination Agent a written acceptance of such designation.

EMMA. The term “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

Financial Obligation. The term “Financial Obligation” means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule and the issuer thereof has entered into a continuing disclosure undertaking for such municipal securities.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of June of each year.

Improvement Area. The term “Improvement Area” means Improvement Area No. 11 of the District.

Listed Events. The term “Listed Events” means any of the events listed in Sections 5(a) or (b) of this Disclosure Agreement.

Official Statement. The term “Official Statement” means the final Official Statement, dated _____, 2025, relating to the Bonds.

Participating Underwriter. The term “Participating Underwriter” means the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent by written direction to such Dissemination Agent to, not later than each March 1 after the end of the District’s and the City’s Fiscal Year (commencing on March 1, 2026 with the Annual Report for Fiscal Year 2024-25), provide to EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided, however, that the audited financial statements of the District and the City, if any are prepared, may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

An Annual Report shall be provided at least annually notwithstanding any Fiscal Year longer than 12 calendar months. The District’s and the City’s Fiscal Year is currently effective from July 1 to the immediately succeeding June 30 of the following year. The District will promptly notify EMMA, the Dissemination Agent and the Participating Underwriter of a change in the District’s or the City’s Fiscal Year dates.

(b) So long as the Dissemination Agent is an entity other than the District, then the provisions of this Section 3(b) shall apply. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to EMMA and the Participating Underwriter, the District shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) Business Days prior to such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District will be filing the Annual Report in compliance with subsection (a). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. If the Dissemination Agent is an entity other than the District, it may conclusively rely upon such certification of the District and shall have no duty or obligation to review such Annual Report.

(c) If the District is the Dissemination Agent and the District is unable to provide to EMMA an Annual Report by the date required in subsection (a), the District shall, in a timely manner, send a notice to EMMA and the Dissemination Agent in the manner prescribed by the Municipal Securities Rulemaking Board. If the Dissemination Agent is other than the District and if the Dissemination Agent is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (a), the Dissemination Agent shall, in a timely manner, send a notice to EMMA in the form prescribed by the Municipal Securities Rulemaking Board.

(d) The Dissemination Agent, if other than the District, shall promptly after receipt of the Annual Report, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or include by reference to files available on EMMA the following:

(a) Financial Statements. The audited financial statements of the District, if any have been prepared, for the most recent Fiscal Year of the District then ended. If the audited financial statements are being prepared and are not available by the time that the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain any available unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements, if any, of the District shall be audited by such auditor as shall then be required or permitted by State law. Audited financial statements, if prepared by the District, shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the District may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the District shall modify the basis upon which its financial statements are prepared, the District shall provide a notice of such modification to EMMA, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

The financial statements of the City shall be filed to the extent that the District does not prepare audited financial statements, but the financial statements of the City shall not be deemed to be the financial statements of the District unless such audited financial statements contain specific information as to the District, its revenues, expenses and account balances. If the City's audited financial statements contain specific information as to the District, its revenues, expenses and account balances, the District's Annual Report shall contain or incorporate by reference the City's audited financial statements. If the City's audited financial statements contain specific information as to the District, its revenues, expenses and account balances, but are not available at the time required for filing, unaudited financial statements of the City that contain specific information as to the District, its revenues, expenses and account balances shall be submitted with the Annual Report and the City's audited financial statements shall be submitted once available.

(b) Financial and Operating Data.

(i) the principal amount of Bonds outstanding as of the September 2 preceding the filing of the Annual Report;

(ii) the balance in each fund under the Indenture and the Reserve Requirement as of the September 30 preceding the filing of the Annual Report;

(iii) any changes to the Rates and Method of Apportionment of the Special Taxes approved or submitted to the qualified electors within the Improvement Area for approval prior to the filing of the Annual Report and a description of any parcels for which the Special Taxes have been prepaid in the Fiscal Year for which the Annual Report is being prepared;

(iv) an update to Table 4 for the most recent fiscal year;

(v) an update to Table 6, but only for so long as any single owner is projected to be responsible for more than 5% of the Maximum Special Taxes in the following fiscal year;

(vi) an update to Table 7, based on the assessed value within the Improvement Area;

(vii) an update similar to Table 8 of the total Special Taxes levied and collected in the Improvement Area in the most recent prior fiscal year and the current fiscal year, and the total Special Taxes that remain unpaid for the prior fiscal year in which Special Taxes were levied and the number of delinquent parcels in the Improvement Area;

(viii) the status of any foreclosure proceedings initiated by the District within the Improvement Area with respect to delinquent Special Taxes;

(ix) any changes with respect to the inclusion or exclusion of the District in the Teeter Plan of the County of Orange; and

(x) any information not already included under (i) through (vi) above that the District is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District, the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. a default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties; and
10. bankruptcy, insolvency, receivership or similar proceedings.

Note: For the purposes of the event identified in subparagraph (10), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law

in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not more than ten (10) Business Days after the event:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;

2. modifications to the rights of Bond holders;

3. Bond calls;

4. release, substitution or sale of property securing repayment of the Bonds;

5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the District, any of which affect security holders.

(c) If the District determines that knowledge of the occurrence of a Listed Event under subsection (b) would be material under applicable federal securities laws, and if the Dissemination Agent is other than the District, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

(d) If the District determines that the Listed Event under subsection (b) would not be material under applicable federal securities laws and if the Dissemination Agent is other than the District, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence.

(e) The District hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the District and, if the Dissemination Agent is other than the District, the Dissemination Agent shall not be responsible for determining whether the District's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The obligations of the District and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior

redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) hereof.

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent appointed by the District may resign by providing thirty (30) days written notice to the District, and upon appointment of a new Dissemination Agent hereunder.

Section 8. Amendment.

(a) This Disclosure Agreement may be amended, by written agreement of the parties, without the consent of the Owners if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law, or a change in the identity, nature or status of the District or the type of business conducted thereby; (2) this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (3) the District shall have delivered to the Dissemination Agent an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the same effect as set forth in clause (2) above; (4) the District shall have delivered to the Dissemination Agent an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that the amendment does not materially impair the interests of the Owners or Beneficial Owners; and (5) the District shall have delivered copies of such opinion and amendment to the Participating Underwriter.

(b) This Disclosure Agreement also may be amended by written agreement of the parties upon obtaining consent of the Owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Owners of the Bonds; provided that the conditions set forth in Section 8(a)(1), (2), (3) and (5) have been satisfied.

(c) To the extent that any amendment to this Disclosure Agreement results in a change in the type of financial information or operating data provided pursuant to this Disclosure Agreement, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District and/or the Dissemination Agent to comply with their respective obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent, and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. Any Dissemination Agent other than the District shall be paid: (i) compensation by the District for its services provided hereunder in accordance with a schedule of fees to be mutually agreed to; and (ii) all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Notices. Notices with respect to this Disclosure Agreement should be sent in writing to:

If to the District:	City of Irvine Community Facilities District No. 2013-3 (Great Park) c/o City of Irvine 1 Civic Center Plaza Irvine, California 92606 Attention: City Manager
---------------------	--

If to the Dissemination Agent:	Willdan Financial Services 27368 Via Industria, Suite 200 Temecula, California 92590 Attention: Mike Medve Email: MMedve@willdan.com
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Section 14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Section 15. State of California Law Governs. The validity, interpretation and performance of this Disclosure Agreement shall be governed by the laws of the State of California.

Section 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 17. Merger. Any person succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the filing of any paper or any further act.

IN WITNESS WHEREOF, the parties have caused their duly authorized officer to execute and deliver this Disclosure Agreement on the date first written above.

CITY OF IRVINE COMMUNITY FACILITIES
DISTRICT NO. 2013-3 (GREAT PARK)

By: _____
Name: _____
Title: _____

WILLDAN FINANCIAL SERVICES, as Dissemination
Agent

By: _____
Name: _____
Title: _____

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the District and the Underwriter believe to be reliable, but neither the District nor the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts

such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

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

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

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

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

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

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

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

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

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

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

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)

APPENDIX H
TABLE OF ACCRETED VALUES

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