

COMMUNITY FACILITIES DISTRICT REPORT

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

MARCH 26, 2013

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**COMMUNITY FACILITIES DISTRICT REPORT
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

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

Prepared for:

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I. INTRODUCTION

WHEREAS, representatives of the City of Irvine (the “City”) and Heritage Fields El Toro, LLC (the “Developer”) have discussed the formation of a Community Facilities District (the “CFD”) and the Developer has, subsequent to such discussions, petitioned for formation of the CFD; and

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, *et seq.* of the California Government Code, the City Council is authorized to establish the CFD, to form one or more improvement areas, and to act as the legislative body for the proposed CFD; and

WHEREAS, the City Council now desires to proceed with establishment of the CFD under the Act in order to levy special taxes and issue bonds to finance the acquisition and construction of certain public facilities, the payment of certain development and other fees, and the provision of certain services burdening the property within the boundaries of the CFD, as contemplated by the discussions to which the City has been a party.

This community facilities district being City of Irvine Community Facilities District No. 2013-3 (Great Park) shall hereinafter be referred to as:

“CFD No. 2013-3 (Great Park)”;

RESOLUTION NO. 13-16 OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA DECLARING ITS INTENTION TO ESTABLISH CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3 (GREAT PARK), TO DESIGNATE THREE IMPROVEMENT AREAS THEREIN, AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN (hereinafter referred to as the “Resolution of Intention”), was adopted by the City Council on February 12, 2013.

WHEREAS, the Resolution of Intention, in its Section 12, directed:

The Director of Administrative Services of the City, as the officer having charge and control of the Facilities in and for the CFD, is hereby directed to study said proposed Facilities and to make, or cause to be made, and file with the Clerk a report in writing, presenting the following: (a) a description of the Facilities and Services by type, which will be required to adequately meet the needs of the CFD; and (b) an estimate of the fair and reasonable cost of financing the Facilities and Services, including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction therewith, and incidental expenses in connection with said financing, including the costs of bond financing and all other related costs as provided in Section 53345.3 of the Act. The report shall be made a part of the record of the public hearing provided for below.

NOW, THEREFORE, David Taussig & Associates, Inc. does hereby submit the Report.

II. PROJECT DESCRIPTION

CFD No. 2013-3 (Great Park) encompasses approximately 3,108 gross acres of land in the City of Irvine generally bordered to the south-west by Interstate 5 (Santa Ana Freeway), to the north-west by Highway 133 (Eastern Transportation Corridor), to the north-east by Highway 241 (Foothills Transportation Corridor), and to the south-east by Alton Parkway. Of this acreage, approximately 913.2 acres are expected to be developed into uses subject to a Mello-Roos Special Tax¹. The land within CFD No. 2013-3 (Great Park) is expected to permit the development of approximately 4,894 residential dwelling units and 5,226,600 square feet of non-residential uses.

CFD No. 2013-3 (Great Park) is currently comprised of three (3) improvement areas (each, an “Improvement Area”). Improvement Area No. 1 will consist of approximately 172.2 acres and is expected to permit the development of approximately 726 residential dwelling units ranging in size from 1,730 to 4,077 square feet. Improvement Area No. 2 will consist of approximately 1,950.3 acres and is currently expected to permit the development of approximately 4,168 residential dwelling units ranging in size from 750 to 4,077 square feet. Finally, Improvement Area No. 3 will consist of approximately 984.3 acres, including two zones, all of which are currently proposed to constitute The Great Park, with no private development planned at the current time.

¹ Please note that all capitalized terms used herein, unless otherwise indicated, shall have the meanings defined in the Rate and Method of Apportionment for each Improvement Area within CFD No. 2013-3 (Great Park).

III. DESCRIPTION AND ESTIMATED COST OF PUBLIC FACILITIES

A community facilities district may provide for the purchase, construction, expansion or rehabilitation of any real or tangible property, including public facilities and infrastructure improvements, with an estimated useful life of five (5) years or longer, which is necessary to meet increased demands placed upon local agencies as a result of development or rehabilitation occurring within the community facilities district. In addition, a community facilities district may pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay or any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the community facilities district, or may pay debt service on that indebtedness. A community facilities district may also provide for financing of certain public services to meet these demands.

A. Description of Public Facilities

The type of public facilities proposed to be eligible for funding by CFD No. 2013-3 (Great Park), as identified in the resolution establishing CFD No. 2013-3 (Great Park) (the “Resolution of Formation”), shall consist of those items listed below (the “Facilities”). It is intended that the Community Facilities District and each Improvement Area will be eligible to finance all or any portion of the facilities described in Section 53313.5 of the Act, to be owned and operated by the City, by another public agency, or by a utility, that shall be constructed, whether or not acquired in their completed states, pursuant to the plans and specifications approved by the City, by another public agency, or by a utility.

Facilities authorized to be financed by each Improvement Area of CFD No. 2013-3 (Great Park) include all of the following onsite or offsite Facilities:

1. Street, road, and parkway improvements, including, but not limited to, right of way acquisition, grading, paving, curb and gutter, median, sidewalks, access ramps, trails, removal and undergrounding of utilities, signing, striping, grinding, traffic control, and seal.
2. Traffic signals.
3. Storm drain improvements, including, but not limited to, mainlines, laterals, catch basins, junction structures, manholes, and local depressions.
4. Sewer improvements, including, but not limited to, laterals, monitoring manholes, manholes, pavement, and striping.
5. Domestic and recycled water facilities, including, but not limited to, water mains, stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, cap, and striping.
6. Water improvements and water features.
7. Parks, park facilities, and parkways.
8. Dry utilities, including, but not limited to, telephone, electric, gas, relocation of lines, undergrounding, trenching, shading, conduit risers, pullboxes, vaults, and hand holes.
9. Landscaping, amenities, irrigation systems, and plantings.
10. Bridge, thoroughfare, and railway improvements, including, but not limited to, rails, grading, abutments, access ramps, lighting, drainage, utility crossings, sidewalks, trails and right of way acquisition.

11. Water quality treatment systems.
12. Wildlife corridors, including, but not limited to, mass excavations, demolition, and fire service mains and appurtenances.
13. Open space improvements.
14. Runway demolition
15. Property acquisition.

The specific facilities to be constructed include, but are not limited to, those set forth in Attachment C hereto. The Facilities shall include the costs of design and engineering, surveys or reports, the cost of traffic-related environmental mitigation and any required landscaping and irrigation, soils testing, permits, plan check and inspection fees, insurance, construction management, and any other costs or appurtenances related to any of the foregoing, including, but not limited to, those costs detailed in (i) the Amended and Restated Development Agreement, dated December 27, 2010, by and among the City of Irvine, Heritage Fields El Toro, LLC and the Irvine Redevelopment Agency, as it may be further amended, (ii) the Amended and Restated Master Implementation Agreement, dated December 27, 2010, by and between the City of Irvine and Heritage Fields El Toro, LLC, and (iii) the Acquisition Agreement, dated March 26, 2013, by and between the City of Irvine (for itself and on behalf of CFD No. 2013-1 (Great Park)) and Heritage Fields El Toro, LLC. All of Improvement Area Nos. 1 and 2, as well as Zone 1 of Improvement Area No. 3, are subject to the restrictions promulgated by the Amended and Restated Development Agreement, the Amended and Restated Master Implementation Agreement, and the Acquisition Agreement. Zone 2 of Improvement Area No. 3 is not subject to any such restrictions.

CFD No. 2013-3 (Great Park) and each Improvement Area therein may also finance any of the following:

1. Bond related expenses, including underwriter's discount, appraisal and absorption study costs, reserve fund, capitalized interest, financial advisor fees and expenses, bond and disclosure counsel fees and expenses, landowner counsel fees and expenses, underwriter counsel fees and expenses, and all other incidental expenses.
2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD No. 2013-3 (Great Park) and the bonds, including but not in any way limited to the cost of a consultant to assist the City with the inspection and coordination of construction of the Facilities.
3. Reimbursement of costs related to the formation of the CFD No. 2013-3 (Great Park) advanced by the City, any landowner in the CFD No. 2013-3 (Great Park), or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, any landowner in the CFD No. 2013-3 (Great Park) or any party related to any of the foregoing, for facilities, fees, or other purposes or costs of the CFD No. 2013-3 (Great Park).

It is intended that the CFD No. 2013-3 (Great Park) and each Improvement Area will be eligible to finance all or any portion of the services described in Section 53313 of the Act (collectively, the "Services"), including, but not limited to the following:

“Authorized Services – On Park” and “Authorized Services – Off Park” as such terms are defined in the Amended and Restated Development Agreement, dated December 27, 2010, by and among the City of Irvine, the Developer, and the Irvine Redevelopment Agency, as it may be further amended, but does not include (i) work to maintain, manage, or operate either a lake or a balloon ride feature at the Orange County Great Park, (ii) work to maintain, manage, and operate a canyon feature to the extent the costs of such work exceed the costs of landscaping and maintaining the land area consumed by said canyon feature if that feature had not been constructed, or (iii) work or costs for or related to special events on the Great Park Property.

All of Improvement Area Nos. 1 and 2, as well as Zone 1 of Improvement Area No. 3, are subject to the restrictions related to Authorized Services promulgated by the Amended and Restated Development Agreement. Zone 2 of Improvement Area No. 3 is not subject to any such restrictions.

The Special Taxes required to pay for the construction, acquisition, or financing of said Facilities, as well as Services, will be apportioned as described in the Rate and Method of Apportionment for each Improvement Area of CFD No. 2013-3 (Great Park) (included herein as Attachments A-1 through A-3).

B. Estimated Costs of Public Facilities

CFD No. 2013-3 (Great Park) is expected to issue bonds in series over a period of years as development progresses within each Improvement Area of CFD No. 2013-3 (Great Park) to finance the construction, acquisition, expansion, improvement, or rehabilitation of the proposed Facilities. The total amount of construction proceeds to be generated from all bond series is not yet determined, but it is anticipated that the aggregate construction proceeds from all future bond issues will finance approximately \$383,300,000 of the proposed Facilities. This amount is an estimate and subject to change, depending on the interest rates of the bonds, the costs of issuance of the bonds, and other factors to be determined at the time each series of bonds for each Improvement Area are issued.

IV. BONDED INDEBTEDNESS AND INCIDENTAL EXPENSES

A. Projected Bond Sales

The maximum authorized bonded indebtedness to be incurred by CFD No. 2013-3 (Great Park) shall not exceed \$100,000,000 for Improvement Area No. 1, \$1,100,000,000 for Improvement Area No. 2, and \$400,000,000 for Improvement Area No. 3. It is anticipated that these bonds will be sold in series over a period of years as development progresses within each Improvement Area of CFD No. 2013-3 (Great Park).

B. Incidental Bond Issuance Expenses to be Included in the Proposed Bonded Indebtedness

Pursuant to Section 53345.3 of the Act, bonded indebtedness may include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the proposed debt is to be incurred, including, but not limited to, the estimated costs of construction or acquisition of buildings, or both; acquisition of land, rights-of-way, water, sewer, or other capacity or connection fees; satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued, architectural, engineering, inspection, legal, fiscal, and financial consultant fees; bond and other reserve funds; discount fees; interest on any bonds of the district estimated to be due and payable within two years of issuance of the bonds; election costs; and all costs of issuance of the bonds, including, but not limited to, fees for bond counsel, disclosure counsel and the City general counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs. For the bonds proposed to be issued by CFD No. 2013-3 (Great Park) for each of the three (3) Improvement Areas, the reserve fund is estimated at approximately ten percent (10.00%) of the principal amount of each series of the bonds, capitalized interest is estimated at approximately seven percent (7.00%) of the principal amount of each series of the bonds, and all other incidental bond issuance expenses are estimated at approximately four percent (4.00%) of the principal amount of each series of the bonds. Actual bond issue assumptions will vary from the above estimates.

C. Incidental Expenses to be Included in the Annual Levy of Special Taxes

Pursuant to Section 53340 of the Act, the proceeds of any special tax may only be used to pay, in whole or part, the costs of providing public facilities, services, and incidental expenses. As defined by the Act, incidental expenses include, but are not limited to, the costs of planning and designing public facilities to be financed, including the costs of environmental evaluations of those public facilities; the costs associated with the creation of the district, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the district; any other expenses incidental to the construction, completion, and inspection of the authorized work; and the costs associated with the retirement of existing bonded indebtedness. While the actual costs of administering CFD No. 2013-3 (Great Park) may vary, it is anticipated that the amount of Special Taxes which can be collected within each Improvement Area within CFD No. 2013-3 (Great Park) will be sufficient to fund at least \$50,000 in annual administrative expenses per Improvement Area, which shall also be subject to an increase of two percent (2.00%) annually.

V. RATE AND METHOD OF APPORTIONMENT

All of the property located within each Improvement Area within CFD No. 2013-3 (Great Park), unless exempted by law or by the applicable Rate and Method of Apportionment, shall be taxed for the purpose of funding Facilities authorized to be financed by CFD No. 2013-3 (Great Park). Pursuant to Section 53325.3 of the Act, the tax imposed “is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property.” The special tax “may be based on benefit received by parcels of real property, the costs of making authorized facilities available to each parcel or other reasonable basis as determined by the legislative body,” although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Attachments A-1 through A-3, the proposed Rate and Method of Apportionment for each Improvement Area provides information sufficient to allow each property owner within CFD No. 2013-3 (Great Park) to estimate the maximum annual Special Tax he or she will be required to pay. Sections A through D below provide additional information on the Rate and Method of Apportionment for each Improvement Area within CFD No. 2013-3 (Great Park).

A. Explanation for Special Tax Apportionment

When a community facilities district is formed, a special tax may be levied on each parcel of taxable property within the community facilities district to pay for the construction, acquisition, and rehabilitation of authorized facilities, to pay for authorized services, and/or to repay bonded indebtedness or other related expenses incurred by a community facilities district. This special tax must be apportioned in a reasonable manner; however, the tax may not be apportioned on an ad valorem basis.

The Act does not require that special taxes be apportioned to individual parcels based on benefit received. However, in order to ensure fairness and equity, general and approximate estimates of benefit have been incorporated in establishing the Special Tax rates for CFD No. 2013-3 (Great Park).

The major assumption inherent in the Special Tax rates set forth in each Rate and Method of Apportionment is that the general and approximate estimates of benefit received from the proposed Facilities is a function of land use and/or product type. More specifically, for CFD No. 2013-3 (Great Park), criteria based on type of land use and building square footage have been selected, and categories based on such criteria have been established to differentiate between parcels of property. Additionally, geographic location of property has been considered and different Improvement Areas have been defined.

For example, in measuring average weekday vehicle trip-ends, the Institute of Transportation Engineer’s Trip Generation manual identifies land use as the primary determinant of trip-end magnitude. Larger residential dwelling units typically generate a greater number of trip-ends than do smaller residential dwelling units, and therefore, will tend to receive more benefit from road grading, road landscaping, and road improvements.

Sewer treatment costs are based on plant capacity to treat biochemical oxygen demand (“BOD”), suspended solids (“SS”), and the flow rate. Other variables for water and sewer requirements include storage and fire flow requirements, as well as the number of bathrooms and fixture units in the home and the population of the household, which tends to vary directly with the size of the dwelling unit.

Drainage and flood control requirements generally vary with the amount of impervious ground cover per parcel. It follows that large homes situated on large lots have more impervious ground cover (e.g. parking areas) which will create more drainage flows than that of smaller homes situated on smaller lots.

In addition, larger buildings typically generate a greater number of “person hours,” or the number of hours per week that residents associated with a specific type of land use could potentially use park, trail, or recreational facilities.

Therefore, Special Tax rates have been established for residential and non-residential land use classes (which make distinctions based on land use, product type, and building square footage) for each Improvement Area within CFD No. 2013-3 (Great Park). In addition, in order to ensure fairness, the Special Tax rates are uniformly applied within each land use class. The Special Tax for a parcel of Residential Property in CFD No. 2013-3 (Great Park) will vary directly based the product type and the size of the Dwelling Unit(s) on such parcel. The Special Tax for Non-Residential Property, if any, in CFD No. 2013-3 (Great Park) will vary directly with the amount of Non-Residential Floor Area on such parcel.

Based on the types of Facilities that are proposed for CFD No. 2013-3 (Great Park) and the factors described above, the Special Taxes assigned to Developed Properties are by and large proportionate to the general and approximate estimates of benefit received by them, and, accordingly, the Special Taxes in CFD No. 2013-3 (Great Park) can be considered fair and reasonable.

B. Maximum Special Tax

Table 1 within the Rate and Method of Apportionment for each Improvement Area within CFD No. 2013-3 (Great Park) lists the Fiscal Year 2013-2014 Maximum Special Tax that may be levied against Developed Property within each such Improvement Area within CFD No. 2013-3 (Great Park) to fund the Special Tax Requirement. In addition, the Fiscal Year 2013-2014 Intermediate Maximum Special Tax for each Assessor’s Parcel of Final Mapped Property and Undeveloped Property shall be \$35,999 per acre in Improvement Area No. 1, and \$31,268 per acre in Improvement Area No. 2 and Improvement Area No. 3. Finally, the Fiscal Year 2013-2014 Maximum Special Tax for each Assessor’s Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property within CFD No. 2013-3 (Great Park) shall be levied at a rate of \$56,468 per acre in Improvement Area No. 1, and \$52,113 per acre in Improvement Area No. 2 and Improvement Area No. 3.

On each July 1, commencing July 1, 2014, the Maximum Special Tax for Developed Property, and the Maximum Special Tax for Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall increase by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year. Within an Improvement Area, commencing in the Fiscal Year following the fortieth anniversary of the date

on which the first series of Non-Subordinate CFD No. 2013-3 (Great Park) Bonds for such Improvement Area were sold, the Maximum Special Tax for Developed Property shall increase by an amount equal to three percent (3%) of the Maximum Special Tax as determined following the partial termination of the Special Tax as set forth in Section J of the Rate and Method of Apportionment for such Improvement Area, and on July 1 of each Fiscal Year thereafter shall increase by an amount equal to three percent (3%) of the amount in effect for the previous Fiscal Year for such Improvement Area. Please see Section C.1 of the applicable Rate and Method of Apportionment.

Prior to the issuance of a first series of CFD No. 2013-3 (Great Park) Bonds for an Improvement Area, the Maximum Special Tax on Residential Property and the Maximum Special Tax on Non-Residential Property for such Improvement Area may be reduced in accordance with, and subject to the conditions set forth in Section C.1 of the applicable Rate and Method of Apportionment without the need for any proceedings to make changes as permitted under the Act.

C. Buydown of Outstanding Bonds

Development will be monitored within each Improvement Area of CFD No. 2013-3 (Great Park). Should development fall below the level specified in the Rate and Method of Apportionment for an Improvement Area within CFD No. 2013-3 (Great Park), and shall such determination be made after the issuance of the first series of Non-Subordinate Bonds for such Improvement Area, a Buydown of Outstanding Bonds may be required in such Improvement Area. The Buydown Requirement for CFD No. 2013-3 (Great Park), if any, will be computed pursuant to Section D of the applicable Rate and Method of Apportionment to assure CFD No. 2013-3 (Great Park)'s ability to collect the Special Tax equal to Debt Service Coverage on the Outstanding Bonds for such Improvement Area.

D. Accuracy of Information

In order to establish the Maximum Special Tax rates for each Improvement Area within CFD No. 2013-3 (Great Park) as set forth in each Rate and Method of Apportionment, David Taussig & Associates, Inc. has relied on information regarding land-use types, geographic location, and taxable acreage provided to it by others. David Taussig & Associates, Inc. has not independently verified such data and disclaims responsibility for the impact of inaccurate data, if any, on the Rate and Method of Apportionment for each Improvement Area within CFD No. 2013-3 (Great Park), including the inability to meet the financial obligations within CFD No. 2013-3 (Great Park).

VI. BOUNDARIES OF CFD NO. 2013-3 (GREAT PARK)

The boundaries of CFD No. 2013-3 (Great Park) include all land on which the Special Taxes may be levied. A reduced scale map showing the boundaries of each Improvement Area within CFD No. 2013-3 (Great Park) is provided as Attachment B. A full scale map is on file with the City Clerk of the City of Irvine and was recorded on February 25, 2013 at 11:03 a.m. in the Orange County Recorder's Office at Book 97 of Maps of Assessment and Community Facilities Districts at Pages 34 through 36 (Document No. 2013-000113331).

VII. GENERAL TERMS AND CONDITIONS

A. Substitution of Facilities

The descriptions of the public facilities, as set forth herein, are general in their nature. The City will determine the final nature, location, and costs of improvements and facilities upon the preparation of final plans and specifications. The final plans may show substitutes, in lieu of modifications to the proposed work in order to accomplish the work of improvement, and any such substitution shall not be a change or modification in the proceedings as long as the public facilities provide a service substantially similar to that as set forth in this Report.

B. Appeals and Interpretations

Pursuant to Section H of the Rate and Method of Apportionment for each Improvement Area within CFD No. 2013-3 (Great Park), any landowner or resident 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 CFD Administrator concurs, the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. No refunds shall be given. The CFD Administrator may interpret the Rate and Method of Apportionment for each Improvement Area within CFD No. 2013-3 (Great Park) for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals.

C. Prepayment of Special Tax

The Special Tax applicable to an Assessor's Parcel in CFD No. 2013-3 (Great Park) may be prepaid according to the prepayment provisions identified in Section I of the Rate and Method of Apportionment for each Improvement Area within CFD No. 2013-3 (Great Park).

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ATTACHMENT A-1

**CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT No. 2013-3
IMPROVEMENT AREA No. 1 (GREAT PARK)**

RATE AND METHOD OF APPORTIONMENT

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF IRVINE COMMUNITY FACILITIES DISTRICT
NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 1**

A Special Tax shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 1 of City of Irvine Community Facilities District No. 2013-3 (Great Park) ("CFD No. 2013-3 (IA No. 1)") and collected each Fiscal Year commencing in Fiscal Year 2013-2014, 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. 1), 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, collectively, the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the California Government Code, the City Charter, and the City Municipal Code, codified and uncodified.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2013-3 (IA No. 1), 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. 1) or any designee thereof of complying with arbitrage rebate requirements with respect to the Special Tax and CFD No. 2013-3 (IA No. 1) Bonds; the costs to the City, CFD No. 2013-3 (IA No. 1) or any designee thereof of complying with disclosure requirements of the City, CFD No. 2013-3 (IA No. 1) 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. 1) or any designee thereof related to an appeal of the Special Tax; the costs of the City, CFD No. 2013-3 (IA No. 1) or any designee thereof related to the recalculation of the Value Limitation in accordance with Section C.1 below and the Buydown of Outstanding Bonds in accordance with Section D.4 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. 1) Bonds. Administrative Expenses shall also include amounts estimated by the CFD Administrator or advanced by the City or CFD No. 2013-3 (IA No. 1) for any other

administrative purposes of CFD No. 2013-3 (IA No. 1), 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 restricts 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.

"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 is 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 (i) any bond issue sold by any Other Improvement Area in CFD No. 2013-3 and (ii) all Subordinate CFD No. 2013-3 (IA No. 1) 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 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.

"Buydown of Outstanding Bonds" means a mandatory buydown of Outstanding Bonds made by a property owner to compensate for a loss of Special Tax revenues, as determined in accordance with Section D below.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement, and providing for the levy and collection of 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. 1)" means Improvement Area No. 1 of CFD No. 2013-3 as identified on the boundary map for CFD No. 2013-3 and further set forth in the Resolution of Formation.

"CFD No. 2013-3 (IA No. 1) 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. 1) and secured by the Special Taxes levied on property within the boundaries of CFD No. 2013-3 (IA No. 1) under the Act.

"Church Property" means all Assessor's Parcels of Developed Property for which an initial building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which is 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 is 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 is 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.

"Debt Service Coverage" means the debt service coverage percentage identified in the additional bonds test or parity bonds test section of the Indenture for Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds.

"Detached Residential Property" means Assessor's Parcels of Developed Property for which building permits have been issued for a Dwelling Unit that is 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, 2012 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

"Developed Property Special Tax Requirement" means, for any Fiscal Year, the Maximum 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. 1) 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. 1) Bonds, the Bond Index, and (ii) subsequent to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 1) 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, 2012.

"Final Mapped Property/Undeveloped Property Special Tax Requirement" means that amount 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. 1) Bonds, (iii) pay for Administrative Expenses, (iv) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year, (v) pay the Guaranteed Amount, and (vi) pay Bond Costs for Other Improvement Area Bonds to the extent that Special Taxes secure an issue of Other Improvement Area Bonds, less (vii) an amount equal to the Developed Property Special Tax Requirement, less (viii) 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.

"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. 1) of the annual amounts set forth in Exhibit B, or (ii) the sum of (a) Pro Rata Share for CFD No. 2013-3 (IA No. 1) 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. 1) Bonds issued on behalf of CFD No. 2013-3 (IA No. 1). The Guaranteed Amount collected in CFD No. 2013-3 (IA No. 1) 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. 1) Bonds issued on behalf of CFD No. 2013-3 (IA No. 1).

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which CFD No. 2013-3 (IA No. 1) 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 is 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 is 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 Special Tax" means the intermediate Maximum 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.

"Maximum Special Tax" means the maximum 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 Department of Planning and Land Use, 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. 1) Bonds" means any issue(s) of CFD No. 2013-3 (IA No. 1) Bonds that are not Subordinate CFD No. 2013-3 (IA No. 1) 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 is primarily used for: professional/medical offices, or for any other uses that are consistent with office land use designations, as determined by the City.

"Other Improvement Area" means an improvement area located within CFD No. 2013-3, other than CFD No. 2013-3 (IA No. 1).

"Other Improvement Area Bonds" means all bonds issued on behalf of Other Improvement Areas that are secured by the Special Taxes levied in CFD No. 2013-3 (IA No. 1) in the manner and for the duration set forth in one or more indentures, fiscal agent agreements, or other agreements governing the terms of such Other Improvement Area Bonds.

"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. 1) Bonds which are outstanding under an Indenture.

"Overlapping Liens" means projected ad valorem property taxes and all direct and overlapping assessments, taxes, special taxes, and charges on the secured tax-roll of the County for each parcel/unit of Taxable Property at the time of CFD No. 2013-3 formation, excluding however, the Special Taxes assessed or levied pursuant to this Rate and Method of Apportionment.

"Prepayable Portion of the Special Tax" shall have the meaning set forth in Section I.

"Pro Rata Share" means the ratio calculated by dividing the anticipated Maximum Special Tax to be levied at build out in CFD No. 2013-3 (IA No. 1) by the anticipated Maximum Special Tax to be levied at build out for all improvement areas within CFD No. 2013-3, excluding the Maximum 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. 1) Bonds outstanding, or Special Taxes being pledged to the payment of Bond Costs for Other Improvement Area Bonds, 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. 1) for which the owner of record, as determined from the County Assessor's secured tax roll for the Fiscal Year in which the 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, irrevocably dedicated, or irrevocably offered to a property owner's association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CFD Administrator by May 1 preceding the Fiscal Year for which the Special Tax is being levied.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property. For Final Mapped Property, "Proportionately" means that the ratio of the actual Special Tax levy per acre to the Maximum 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 Special Tax levy per acre to the Maximum 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. 1) 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. 1) 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 granted a possessory interest 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. 1).

"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 establishing CFD No. 2013-3.

"Special Tax" or "Special Taxes" means the special taxes that may be levied on one or more Assessor's Parcel of Taxable Property within CFD No. 2013-3 (IA No. 1) pursuant to this Rate and Method of Apportionment.

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

"State" means the State of California.

"Subordinate CFD No. 2013-3 (IA No. 1) Bonds" means any CFD No. 2013-3 (IA No. 1) Bonds that are subordinate to any current or future CFD No. 2013-3 (IA No. 1) Bonds and that meet the requirements set forth in the Amended and Restated Development Agreement.

"Supplemental Improvement Area" means any Other Improvement Area that has been specifically designated as additional collateral for CFD No. 2013-3 (IA No. 1) Bonds as authorized in the Indenture. The Supplemental Improvement Area shall be retained as additional collateral and security for CFD No. 2013-3 (IA No. 1) Bonds until conditions for the release of the special taxes in the Supplemental Improvement Area, as set forth in the Indenture, are satisfied.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2013-3 (IA No. 1) which are not exempt from the Special Tax pursuant to applicable law or Section F below.

"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 Special Tax Requirement" means, so long as the amount required is not less than zero, that amount 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. 1) Bonds, (iii) pay for Administrative Expenses, (iv) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year, and (v) pay Bond Costs for Other Improvement Area Bonds to the extent that Special Taxes secure an issue of Other Improvement Area Bonds, less (vi) an amount equal to the Developed Property Special Tax Requirement, less (vii) the amount of the Final Mapped Property/Undeveloped Property Special Tax Requirement levied on Final Mapped Property and Undeveloped Property in such Fiscal Year, less (viii) 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.

"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" means, collectively (i) that the amount of the Maximum Special Taxes for Residential Property within each Land Use Class, when combined with all Overlapping Liens, including a sufficient amount to pay the assumed Irvine Ranch Water District assessments (subject to the limitations set forth in the Amended and Restated Development Agreement), shall collectively not exceed two percent (2%) of the expected base sales price (i.e., the base sales price without any optional upgrades included) of the lowest priced residential unit in such Land Use Class, based upon the anticipated sales prices to end users at the time of calculation; (ii) that the amount of the Special Taxes 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. 1) for each Non-Residential Property Land Use Class, divided by the Floor Area Ratio for the applicable Land Use Class, and (iii) the amount of the Special Taxes 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. 1) 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 Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and E herein.

C. MAXIMUM SPECIAL TAX RATE

1. 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, with respect to Land Use Classes 1-30, the Residential Floor Area for each Dwelling Unit. Non-Residential Property shall be assigned to Land Use Classes 31 through 36. Prior to the issuance of the first series of Non-Subordinated CFD No. 2013-3 (IA No. 1) Bonds, the Maximum Special Taxes for Residential Property and the Special Taxes 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-Subordinated CFD No. 2013-3 (IA No. 1) Bonds, or (ii) the written request of the Developer within two hundred 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. 1), a third-party consultant selected by the City shall be engaged (within thirty days after the applicable trigger date) to recalculate the Value Limitation for Residential Property, and, if the City determines that the Maximum Special Taxes for Residential Property for any Land Use Class (as reflected in Table 1) will cause the overall tax burden (including Overlapping Liens) on Residential Property to exceed the recalculated Value Limitation for any Residential Property Land Use Class, then the Maximum Special Tax for Residential Property for any 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. 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. 1) Bonds, or (ii) the written request of the Developer within two hundred 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. 1), a third-party appraiser selected by the City shall be engaged (within thirty days after the applicable trigger date) to recalculate the Value Limitation for Non-Residential Property within CFD No. 2013-3 (IA No. 1), and, based upon the report of the appraiser, if the City so determines that the per square foot and per Acre Special Taxes, as reflected in Table 1, herein, exceed the recalculated Value Limitation for Non-Residential Property for any Land Use Class, then the per square foot and per Acre Special Tax for each 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 Special Taxes for Non-Residential Property do not fall below \$0.40 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 Special Tax for Residential Property and per square foot and per Acre Special Taxes for Non-Residential Property is 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 Special Tax for Residential Property and per square foot and per Acre Special Taxes for Non-Residential Property is triggered by the projected execution of a bond purchase agreement within 120 days, the recalculation(s) shall be completed for all Land Use Classes within CFD No. 2013-3 (IA No. 1) that have not previously experienced a reduction in their Maximum Special Taxes (for Residential Property) or their Special Taxes (for Non-Residential Property).

Each Special Tax 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 special tax reductions in any other Land Use Class, and it shall not be required that a reduction in Special Taxes for one Land Use Class be proportionate to reductions in Special Taxes for any other Land Use Class. If the Special Taxes for a Land Use Class do not require reduction as set forth in this Section C.1, then those Special Taxes shall not be reduced irrespective of any reductions made to other Special Taxes. 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. Notwithstanding the foregoing, under no circumstances may the Special Taxes be reduced under this Section C.1 during the time that the Special Taxes have been pledged to the payment of Bond Costs for Other Improvement Area Bonds.

(a) Developed Property

(i) Maximum Special Tax

The Maximum 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 Special Tax for Developed Property
Improvement Area No. 1 of CFD No. 2013-3
Fiscal Year 2013-2014**

Land Use Class	Description	Maximum Special Tax
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	\$12,356 per Dwelling Unit
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	\$11,858 per Dwelling Unit
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	\$11,359 per Dwelling Unit
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF – 5,199 SF)	\$10,861 per Dwelling Unit
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	\$10,363 per Dwelling Unit
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	\$9,864 per Dwelling Unit
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	\$9,366 per Dwelling Unit
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	\$8,874 per Dwelling Unit
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	\$8,587 per Dwelling Unit

Land Use Class	Description	Maximum Special Tax
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	\$8,352 per Dwelling Unit
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	\$7,479 per Dwelling Unit
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	\$6,934 per Dwelling Unit
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	\$6,474 per Dwelling Unit
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	\$5,902 per Dwelling Unit
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	\$5,380 per Dwelling Unit
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	\$4,981 per Dwelling Unit
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	\$4,443 per Dwelling Unit
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	\$4,385 per Dwelling Unit
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	\$5,064 per Dwelling Unit
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF – 2,599 SF)	\$4,755 per Dwelling Unit
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF – 2,399 SF)	\$4,447 per Dwelling Unit
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF – 2,199 SF)	\$4,138 per Dwelling Unit
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF – 1,999 SF)	\$3,829 per Dwelling Unit
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF – 1,799 SF)	\$3,597 per Dwelling Unit
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF – 1,599 SF)	\$3,319 per Dwelling Unit
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF – 1,399 SF)	\$2,902 per Dwelling Unit
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF – 1,199 SF)	\$2,594 per Dwelling Unit
28	ATTACHED RESIDENTIAL PROPERTY (800 SF – 999 SF)	\$2,285 per Dwelling Unit
29	ATTACHED RESIDENTIAL PROPERTY (< 800 SF)	\$2,208 per Dwelling Unit
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	\$0 per Dwelling Unit
31	NON-RESIDENTIAL - COMMERCIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$20,713 per Acre, when applied, whichever is greater
32	NON-RESIDENTIAL– INDUSTRIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$21,236 per Acre, when applied, whichever is greater

Land Use Class	Description	Maximum Special Tax
33	NON-RESIDENTIAL– INSTITUTIONAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$23,588 per Acre, when applied, whichever is greater
34	NON-RESIDENTIAL – OFFICE PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$21,301 per Acre, when applied, whichever is greater
35	NON-RESIDENTIAL – AUTO CENTER	\$5.02 per square foot of Non-Residential Floor Area or \$18,368 per Acre, when applied, whichever is greater
36	OTHER NON-RESIDENTIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$20,125 per Acre, when applied, whichever is greater

(ii) Increase in the Maximum Special Tax

The Fiscal Year 2013-2014 Maximum 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, 2014 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. 1) Bonds were sold 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. 1) Bonds were sold, by an amount equal to three percent (3%) of the Maximum 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 Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel. 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 Special Tax

The Fiscal Year 2013-2014 Intermediate Maximum Special Tax for each Assessor's Parcel of Final Mapped Property and Undeveloped Property shall be \$35,999 per Acre, and shall increase thereafter, commencing on July 1, 2014 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Intermediate Maximum Special Tax for the previous Fiscal Year.

(ii) Maximum Special Tax

The Fiscal Year 2013-2014 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be \$56,468 per Acre, and shall increase thereafter, commencing on July 1, 2014 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Maximum Special Tax for the previous Fiscal Year.

D. BUYDOWN OF OUTSTANDING BONDS

All of the requirements of this Section D, which describes the need for a buydown of Outstanding Bonds ("Buydown") 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. 1) Bonds. Prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds, the terms of the Buydown shall not apply. The terms of the Buydown shall not apply to any Subordinate CFD No. 2013-3 (IA No. 1) Bonds.

The following additional definitions apply to this Section D:

"Buydown Requirement" means the total amount needed to be collected to calculate and prepay Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds necessary to be prepaid in order to authorize (i) the issuance of residential building permits, or (ii) the approval of a Final Subdivision for non-residential development listed in a request for a Letter of Compliance, as calculated under this Section D.

"Certificate of Satisfaction of Buydown" means a certificate from the CFD Administrator stating that the property described in such certificate has met the Buydown Requirement for such property as calculated under this Section D.

"Letter of Compliance" means a letter from the CFD Administrator authorizing (i) the issuance of residential building permits, or (ii) the approval of a Final Subdivision for non-residential

development based on the prior submittal of a request for a Letter of Compliance by a property owner.

"Update Property" means an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a building permit has been issued after May 1 of the Fiscal Year preceding the current Fiscal Year. For purposes of all calculations in this Section D, Update Property shall be taxed as if it were already Developed Property during the current Fiscal Year.

1. Request for Letter of Compliance

(a) Residential Development

After the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds, a property owner shall, as a precondition to the issuance of a building permit for construction of any residential development for a specific Assessor's Parcel or lot, submit a Letter of Compliance for the construction of the development on such Assessor's Parcel or lot. If a Letter of Compliance has not yet been issued, the property owner must first request a Letter of Compliance from the CFD Administrator. The request from the property owner shall contain a list of all building permits for which the property owner is requesting a Letter of Compliance. The property owner shall also submit the Assessor's Parcels or tract and lot numbers on which the construction is to take place, and the Residential Floor Area for each residential Dwelling Unit associated with each prospective building permit.

(b) Non-Residential Development

After the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds, a property owner shall, as a precondition to the approval of a Final Subdivision which includes development of any non-residential property, submit a Letter of Compliance for the development of the non-residential property on such Final Subdivision. If a Letter of Compliance has not yet been issued, the property owner must first request a Letter of Compliance from the CFD Administrator. 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 Letter of Compliance. The property owner shall also submit the Assessor's Parcels or tract and lot numbers on which non-residential development is to take place.

2. Issuance of Letter of Compliance

(a) Residential Development

The number of residential Dwelling Units by Land Use Class, as listed in Table 2 below, shall be determined by the CFD Administrator prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds to reflect the current development plan for CFD No. 2013-3 (IA No. 1).

For property in Land Use Classes 1-30, upon the receipt of a request for a Letter of Compliance, the CFD Administrator shall assign each building permit identified in such request to Land Use Classes 1 through 30 as listed in Table 2 below based on the type of use and, if applicable, the Residential Floor Area identified for each such building permit. If the CFD Administrator determines (i) that the number of building permits requested for a Land Use Class, plus those building permits previously issued for such Land Use Class, does not exceed the total number of

residential Dwelling Units for such Land Use Class identified in Table 2 below, and (ii) that the total number of residential Dwelling Units anticipated to be constructed pursuant to the current development plan for CFD No. 2013-3 (IA No. 1) shall not be less than the Total Number of Expected Dwelling Units shown in Table 2, then a Letter of Compliance shall be submitted to the property owner by the CFD Administrator authorizing the issuance of the requested building permits for the subject property. This Letter of Compliance shall be submitted to the property owner by the CFD Administrator within ten days of the submittal of the request for a Letter of Compliance by the property owner. However, should (i) the building permits requested for such Land Use Class, plus those previously issued for such Land Use Class, cause the total number of residential Dwelling Units within such Land Use Class to exceed the number of residential Dwelling Units for such Land Use Class identified in Table 2 below, or (ii) the CFD Administrator determines that changes in the development plan may cause a decrease in the number of residential Dwelling Units within CFD No. 2013-3 (IA No. 1) to below the Total Number of Expected Dwelling Units shown in Table 2, then a Letter of Compliance will not be issued and the CFD Administrator will determine if a Buydown shall be required.

(b) Non-Residential Development

The Acreage anticipated for the development of Non-Residential Property, as listed in Table 2 below, shall be determined by the CFD Administrator prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds to reflect the current development plan for CFD No. 2013-3 (IA No. 1).

For property in Land Use Classes 31-36, upon the receipt of a request for a Letter of Compliance, the CFD Administrator shall identify the Acreage of the proposed Non-Residential Property within the Final Subdivision on which such Non-Residential Property is to be located. If the CFD Administrator determines that the Acreage anticipated for the development of Non-Residential Property does not exceed the Total Expected Non-Residential Acreage identified in Table 2 for Land Use Classes 31 through 36, then a Letter of Compliance shall be submitted to the property owner by the CFD Administrator authorizing the approval of the Final Subdivision. This Letter of Compliance shall be submitted to the property owner by the CFD Administrator within ten days of the submittal of the request for a Letter of Compliance by the property owner. However, should the CFD Administrator determine that the changes in the development plan may cause a change to the Acreage anticipated for the development of Non-Residential Property within CFD No. 2013-3 (IA No. 1) to anything greater than the Total Expected Non-Residential Acreage identified in Table 2, then a Letter of Compliance will not be issued and the CFD Administrator will determine if a Buydown shall be required.

TABLE 2**Expected Residential Dwelling Units per Land Use Class and Non-Residential Acreage
Improvement Area No. 1 of CFD No. 2013-3**

Land Use Class	Description	Expected Dwelling Units/ Acreage
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	TBD
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	TBD
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	TBD
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF – 5,199 SF)	TBD
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	TBD
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	TBD
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	TBD
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	TBD
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	TBD
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	TBD
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	TBD
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	TBD
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	TBD
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	TBD
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	TBD
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	TBD
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	TBD
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	TBD
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	TBD
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF – 2,599 SF)	TBD
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF – 2,399 SF)	TBD
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF – 2,199 SF)	TBD
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF – 1,999 SF)	TBD
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF – 1,799 SF)	TBD
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF – 1,599 SF)	TBD
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF – 1,399 SF)	TBD
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF – 1,199 SF)	TBD
28	ATTACHED RESIDENTIAL PROPERTY (800 SF – 999 SF)	TBD
29	ATTACHED RESIDENTIAL PROPERTY (< 800 SF)	TBD
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	TBD

Land Use Class	Description	Expected Dwelling Units/ Acreage
	Total Number of Expected Dwelling Units (Land Use Classes 1-30)	TBD
31	NON-RESIDENTIAL - COMMERCIAL PROPERTY	TBD
32	NON-RESIDENTIAL- INDUSTRIAL PROPERTY	TBD
33	NON-RESIDENTIAL- INSTITUTIONAL PROPERTY	TBD
34	NON-RESIDENTIAL – OFFICE PROPERTY	TBD
35	NON-RESIDENTIAL – AUTO CENTER	TBD
36	OTHER NON-RESIDENTIAL PROPERTY	TBD
	Total Expected Non-Residential Acreage (Land Use Classes 31-36)	TBD

3. Calculation of Buydown

If a Buydown calculation is required as determined by the CFD Administrator pursuant to paragraph 2 above, the CFD Administrator shall review the current development plan for CFD No. 2013-3 (IA No. 1) in consultation with the current property owners for all remaining Final Mapped Property and Undeveloped Property in CFD No. 2013-3 (IA No. 1), and shall prepare an updated version of Table 2 identifying the revised number of residential Dwelling Units anticipated within each Land Use Class and the revised Acreage anticipated for the development of Non-Residential Property, as applicable. The CFD Administrator shall not be responsible for any delays in preparing the updated Table 2 that result from a refusal on the part of one or more current property owners of Final Mapped Property or Undeveloped Property to provide information on their future development.

The CFD Administrator shall then review the updated Table 2 and determine the Buydown Requirement, if any, to be applied to the property identified in the request for Letter of Compliance to assure CFD No. 2013-3 (IA No. 1)'s ability to levy Special Taxes equal to at least the Debt Service Coverage times the debt service necessary to support the Outstanding Bonds. The calculations shall be undertaken by the CFD Administrator, based on the data in the updated Table 2, as follows:

- Step 1. Compute the sum of the Special Taxes authorized to be levied on all Developed Property and Update Property within CFD No. 2013-3 (IA No. 1), plus the sum of the Special Taxes authorized to be levied on all future development as identified in the current development plan assuming buildout, as determined by the CFD Administrator in consultation with the property owner(s).

- Step 2. Determine the amount of Special Taxes equal to the Debt Service Coverage times the debt service necessary to support the Outstanding Bonds.
- 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 Buydown will be required and a Letter of Compliance shall be issued by the CFD Administrator to the property owner requesting such Letter of Compliance for all of the building permits and/or Final Subdivisions currently being requested. If the total sum computed pursuant to Step 1 is less than the amount computed pursuant to Step 2, then continue to Step 4.
- Step 4. Determine the Special Tax shortfall by subtracting the total sum computed pursuant to Step 1 from the amount computed pursuant to Step 2. Divide this difference by the amount computed pursuant to Step 2.
- Step 5. Multiply the quotient computed pursuant to Step 4 by the Outstanding Bonds and round up to the nearest increment of \$5,000 to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
- Step 6. Multiply the Bond Redemption Amount computed pursuant to Step 5 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
- Step 7. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the redemption date for the Outstanding Bonds ("Defeasance Amount").
- Step 8. The administrative fees and expenses of CFD No. 2013-3 (IA No. 1) are as calculated by the CFD Administrator and include the costs of computation of the Buydown Requirement, the costs to invest the Buydown Requirement proceeds and the costs of redeeming Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds (the "Administrative Fees and Expenses").
- Step 9. The Buydown Requirement is equal to the sum of the amounts computed pursuant to Steps 5, 6, 7 and 8 (the "Buydown Requirement").
- Step 10. The reserve fund credit (the "Reserve Fund 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 as a result of the Buydown, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the Buydown from the balance in the reserve fund on the Buydown date, 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).

The Buydown Requirement computed under Step 9 shall be billed directly to the property owner of each Assessor's Parcel identified in the request for Letter of Compliance and shall be due within 30 days of the billing date. If the Buydown Requirement is not paid within 45 days of the billing date, a Letter of Compliance will not be issued to the property owner by the CFD Administrator and the authorization of the requested building permits (for residential development) or Final Subdivision (for non-residential development) for the subject property will not be approved until such Buydown Requirement is paid. Upon receipt of the Buydown Requirement, the CFD Administrator shall issue a Letter of Compliance and a Certificate of Satisfaction of Buydown for the subject property. The Reserve Fund Credit calculated pursuant to Step 10 above shall be credited to the property owner of each Assessor's Parcel identified in the request for Letter of Compliance once the CFD Administrator has confirmed receipt of all Special Taxes due for such property owner(s) in the Fiscal Year the Buydown Requirement was made.

4. Costs and Expenses Related to Implementation of Buydown

The costs of the CFD Administrator or other consultants required to review the application for building permits (for residential development) or a Final Subdivision (for non-residential development) and issue Letters of Compliance, as identified in Sections D.1 and D.2, above, shall be paid out of the administrative expenses account as established in the Indenture. The property owner of each Assessor's Parcel identified in the request for Letter of Compliance shall pay as part of the Buydown Requirement (as set forth in Step 8 in Section D.3) all costs of the CFD Administrator or other consultants required to calculate the Buydown Requirement, issue Letters of Compliance and any other actions required under Section D.3. If a Buydown does not occur, such costs will be billed to the property owner and such payment shall be due 30 days after receipt of the invoice by the property owner. A deposit may be required by the CFD Administrator prior to undertaking work related to the Buydown pursuant to Section D.3.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

1. Annual Levy

Commencing with Fiscal Year 2013-2014 and for each following Fiscal Year, the Council shall levy the Special Tax as follows:

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

Second: Determine the Final Mapped Property/Undeveloped Property Special Tax Requirement and Proportionately levy the 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 Special Tax Requirement, or (ii) 100% of the Intermediate Maximum Special Tax for Final Mapped Property.

Third: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement after the first two steps have been completed, the 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 Special Tax Requirement less the amount levied pursuant to the

second step above, or (ii) 100% of the Intermediate Maximum Special Tax for Undeveloped Property.

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

Fifth: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement after the first four steps have been completed, then if required to satisfy the Indenture, a special tax shall be levied on each Assessor's Parcel of taxable property located within the Supplemental Improvement Areas pledged to CFD No. 2013-3 (IA No. 1) Bonds, based on the rate and method of apportionment of special taxes for these Supplemental Improvement Areas.

Sixth: Determine the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement and Proportionately levy the 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 Special Tax Requirement or (ii) 100% of the Maximum Special Tax for Taxable Property Owner Association Property.

Seventh: If additional monies are needed to satisfy the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement after the sixth step has been completed, then the 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 Special Tax Requirement less the amount levied pursuant to the sixth step above, or (ii) 100% of the Maximum Special Tax for Taxable Public Property.

F. EXEMPTIONS

No Special Tax shall be levied on up to (i) 25.00 Acres of Property Owner Association Property in CFD No. 2013-3 (IA No. 1), (ii) 61.00 Acres of Public Property in CFD No. 2013-3 (IA No. 1), and (iii) 9.00 Acres of Church Property in CFD No. 2013-3 (IA No. 1). 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. 1) does not cause the total of such Dwelling Units within CFD No. 2013-3 to exceed 544 Dwelling Units. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in CFD No. 2013-3 (IA No. 1) 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 Special Tax and shall be taxed

Proportionately as part of the sixth step and seventh step in Section E above, respectively, at up to 100% of the applicable Maximum 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 Special Tax and shall be taxed Proportionately as Other Non-Residential Property in Section E above, at up to 100% of the applicable Maximum 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 Special Tax and shall be taxed Proportionately as Residential Property in Section E above, at up to 100% of the applicable Maximum 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. 1) Bonds and provided that the Special Taxes have not been pledged to the payment of Bond Costs for Other Improvement Area 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.

G. MANNER OF COLLECTION

The 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 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, no refund shall be given at that time. However, the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. 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 SPECIAL TAX

Under this Rate and Method of Apportionment, an Assessor's Parcel within CFD No. 2013-3 (IA No. 1) is permitted to prepay a portion of the Maximum Special Tax (the "Prepayable Portion of the Special Tax"). The obligation of the Assessor's Parcel to pay the Prepayable Portion of the 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, 2013, 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 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. 1) Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture. No portion of the Maximum Special Tax other than the Prepayable Portion of the Special Tax may be prepaid. Only Non-Subordinate CFD No. 2013-3 (IA No. 1) 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. 1) Bonds, the percentages identified in Section I (in connection with the calculation of the Prepayable Portion of the Residential Property Special Tax and the Prepayable Portion of the Non-Residential Property 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 Special Tax

The full Prepayment Amount of the Prepayable Portion of the 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 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. 1) Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Special Tax being levied in the current Fiscal Year on the Assessor's Parcel prepaying the Special Tax (under the assumption that the Assessor's Parcel is Developed Property).
- Step 3. Multiply the Maximum Special Tax calculated pursuant to Step 2 by 59.86% (the "Prepayable Portion of the Residential Property Special Tax").
- Step 4. Determine the amount of Special Tax levied in the current Fiscal Year on such Assessor's Parcel which has not yet been paid and multiply this amount by 59.86%.

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 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 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 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. 1) Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Special Tax being levied in the current Fiscal Year on the Assessor's Parcel prepaying the Special Tax (under the assumption that the Assessor's Parcel is Developed Property).
- Step 3. Multiply the Maximum Special Tax calculated pursuant to Step 2 by 61.39% (the "Prepayable Portion of the Non-Residential Special Tax").
- Step 4. Determine the amount of Special Tax levied in the current Fiscal Year on such Assessor's Parcel which has not yet been paid and multiply this amount by 61.39%.
- 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 Special Tax as determined under Step 3, for the number of year 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 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 Special Tax
- PE = the Prepayment Amount of the Prepayable Portion of the 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 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. 1) Bonds, the Prepayment Amount of the Prepayable Portion of the 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. 1) Bonds as possible (or as many Other Improvement Area Bonds as possible, if the Special Taxes secure Other Improvement Area Bonds), and, if amounts are less than \$5,000, to make debt service payments on the Non-Subordinate CFD No. 2013-3 (IA No. 1) Bonds (or Other Improvement Area Bonds if the Special Taxes secure Other Improvement Area 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. 1) Bonds, the Prepayment Amount of the Prepayable Portion of the 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 Special Tax, the CFD Administrator shall remove the current Fiscal Year's Prepayable Portion of the 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. 1) that there has been a prepayment of the Prepayable Portion of the Special Tax and that a portion of the Maximum Special Tax with respect to such Assessor's Parcel, equal to 40.14% of the Maximum Special Tax for Residential Property and 38.61% of the Maximum 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 Special Tax, the CFD Administrator shall remove a portion of the current Fiscal Year's Prepayable Portion of the 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. 1) that there has been a partial prepayment of the Prepayable Portion of the Special Tax and that a portion of the Maximum Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage $[1.00 - (.5986 \times F)]$ multiplied by the Maximum Special Tax for Residential Property and $[1.00 - (.6139 \times F)]$ multiplied by the Maximum 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 Special Tax shall be allowed unless, at the time of such proposed prepayment, the Special Tax that may be levied on Taxable Property within CFD No. 2013-3 (IA No. 1) in all Fiscal Years (after excluding 25.00 Acres of Property Owner Association Property, 61.00 Acres of Public Property, 9.00 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. 1) 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 SPECIAL TAX

65.84% of the Maximum Special Tax on Residential Property and 67.53% of the Maximum 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. 1) Bonds were sold or (ii) Fiscal Year 2052-2053. The remaining portion of the 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. 1) 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 the Amended and Restated Development Agreement in to the Rate and Method of Apportionment, extend the term of the Amended and Restated Development Agreement, as defined therein, and/or amend or modify the provisions thereof.

EXHIBIT A

CERTIFICATE TO AMEND SPECIAL TAX

CITY OF IRVINE AND CFD No. 2013-3 (IA No. 1) 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. 1)”) hereby reduce some or all of the Maximum 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. 1).

The information in Table 1 relating to the Fiscal Year 2013-2014 Maximum Special Tax for Developed Property within CFD No. 2013-3 (IA No. 1) 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. 1), the City shall cause an amended notice of special tax lien for CFD No. 2013-3 (IA No. 1) 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. 1), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CITY OF IRVINE

By: _____ Date: _____
CFD Administrator

CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3

By: _____ Date: _____

EXHIBIT B

ANNUAL AMOUNTS FOR CFD No. 2013-3

<u>Fiscal Year</u>	<u>Amount</u>
2013-2014	\$4,000,000
2014-2015	\$5,000,000
2015-2016	\$9,500,000
Each Fiscal Year Thereafter, Commencing in Fiscal Year 2016-2017	Increase Amount in Prior Fiscal Year by 3%.

ATTACHMENT A-2

**CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT No. 2013-3
IMPROVEMENT AREA No. 2 (GREAT PARK)**

RATE AND METHOD OF APPORTIONMENT

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF IRVINE COMMUNITY FACILITIES DISTRICT
NO. 2013-3 (GREAT PARK)
IMPROVEMENT AREA NO. 2**

A Special Tax shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 2 of City of Irvine Community Facilities District No. 2013-3 (Great Park) ("CFD No. 2013-3 (IA No. 2)") and collected each Fiscal Year commencing in Fiscal Year 2013-2014, 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. 2), 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, collectively, the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the California Government Code, the City Charter, and the City Municipal Code, codified and uncodified.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2013-3 (IA No. 2), 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. 2) or any designee thereof of complying with arbitrage rebate requirements with respect to the Special Tax and CFD No. 2013-3 (IA No. 2) Bonds; the costs to the City, CFD No. 2013-3 (IA No. 2) or any designee thereof of complying with disclosure requirements of the City, CFD No. 2013-3 (IA No. 2) 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. 2) or any designee thereof related to an appeal of the Special Tax; the costs of the City, CFD No. 2013-3 (IA No. 2) or any designee thereof related to the recalculation of the Value Limitation in accordance with Section C.1 below and the Buydown of Outstanding Bonds in accordance with Section D.4 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. 2) Bonds. Administrative Expenses shall also include amounts estimated by the CFD

Administrator or advanced by the City or CFD No. 2013-3 (IA No. 2) for any other administrative purposes of CFD No. 2013-3 (IA No. 2), 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 restricts 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.

"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 is 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 (i) any bond issue sold by any Other Improvement Area in CFD No. 2013-3 and (ii) all Subordinate CFD No. 2013-3 (IA No. 2) 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 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.

"Buydown of Outstanding Bonds" means a mandatory buydown of Outstanding Bonds made by a property owner to compensate for a loss of Special Tax revenues, as determined in accordance with Section D below.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement, and providing for the levy and collection of 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. 2)" means Improvement Area No. 2 of CFD No. 2013-3 as identified on the boundary map for CFD No. 2013-3 and further set forth in the Resolution of Formation.

"CFD No. 2013-3 (IA No. 2) 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. 2) and secured by the Special Taxes levied on property within the boundaries of CFD No. 2013-3 (IA No. 2) under the Act.

"Church Property" means all Assessor's Parcels of Developed Property for which an initial building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which is 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 is 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 is 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.

"Debt Service Coverage" means the debt service coverage percentage identified in the additional bonds test or parity bonds test section of the Indenture for Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds.

"Detached Residential Property" means Assessor's Parcels of Developed Property for which building permits have been issued for a Dwelling Unit that is 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, 2012 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

"Developed Property Special Tax Requirement" means, for any Fiscal Year, the Maximum 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. 2) 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. 2) Bonds, the Bond Index, and (ii) subsequent to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 2) 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, 2012.

"Final Mapped Property/Undeveloped Property Special Tax Requirement" means that amount 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. 2) Bonds, (iii) pay for Administrative Expenses, (iv) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year, (v) pay the Guaranteed Amount, and (vi) pay Bond Costs for Other Improvement Area Bonds to the extent that Special Taxes secure an issue of Other Improvement Area Bonds, less (vii) an amount equal to the Developed Property Special Tax Requirement, less (viii) 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.

"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.

“Future Annexation Area” means the property designated as Future Annexation Parcels on the boundary map for CFD No. 2013-3 (IA No. 2), as shown in Exhibit C, and anticipated to become subject to the Special Tax.

“Guaranteed Amount” means for any Fiscal Year, the lesser of (i) the Pro Rata Share for CFD No. 2013-3 (IA No. 2) of the annual amounts set forth in Exhibit B, or (ii) the sum of (a) Pro Rata Share for CFD No. 2013-3 (IA No. 2) 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. 2) Bonds issued on behalf of CFD No. 2013-3 (IA No. 2). Notwithstanding the above, the Guaranteed Amount may exceed the Pro Rata Share for CFD No. 2013-3 (IA No. 2) as discussed in Section E.2. The Guaranteed Amount collected in CFD No. 2013-3 (IA No. 2) 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. 2) Bonds issued on behalf of CFD No. 2013-3 (IA No. 2).

“Indenture” means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which CFD No. 2013-3 (IA No. 2) 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 is 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 is 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 Special Tax” means the intermediate Maximum 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.

“Maximum Special Tax” means the maximum 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 Department of Planning and Land Use, 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. 2) Bonds" means any issue(s) of CFD No. 2013-3 (IA No. 2) Bonds that are not Subordinate CFD No. 2013-3 (IA No. 2) 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 is primarily used for: professional/medical offices, or for any other uses that are consistent with office land use designations, as determined by the City.

"Other Improvement Area" means an improvement area located within CFD No. 2013-3, other than CFD No. 2013-3 (IA No. 2).

"Other Improvement Area Bonds" means all bonds issued on behalf of Other Improvement Areas that are secured by the Special Taxes levied in CFD No. 2013-3 (IA No. 2) in the manner and for the duration set forth in one or more indentures, fiscal agent agreements, or other agreements governing the terms of such Other Improvement Area Bonds.

"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. 2) Bonds which are outstanding under an Indenture.

“Overlapping Liens” means projected ad valorem property taxes and all direct and overlapping assessments, taxes, special taxes, and charges on the secured tax-roll of the County for each parcel/unit of Taxable Property at the time of CFD No. 2013-3 formation, excluding however, the Special Taxes assessed or levied pursuant to this Rate and Method of Apportionment.

“Prepayable Portion of the Special Tax” shall have the meaning set forth in Section I.

"Pro Rata Share" means the ratio calculated by dividing the anticipated Maximum Special Tax to be levied at build out in CFD No. 2013-3 (IA No. 2) by the anticipated Maximum Special Tax to be levied at build out for all improvement areas within CFD No. 2013-3, excluding the Maximum 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. 2) Bonds outstanding, or Special Taxes being pledged to the payment of Bond Costs for Other Improvement Area Bonds, 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. 2) for which the owner of record, as determined from the County Assessor's secured tax roll for the Fiscal Year in which the 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, irrevocably dedicated, or irrevocably offered to a property owner's association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CFD Administrator by May 1 preceding the Fiscal Year for which the Special Tax is being levied.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property. For Final Mapped Property, "Proportionately" means that the ratio of the actual Special Tax levy per acre to the Maximum 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 Special Tax levy per acre to the Maximum 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. 2) to cover any delinquencies by a property owner and to cover any Guaranteed Amount shortfalls generated by delinquencies, as discussed in Section E.2.

"Public Property" means, for each Fiscal Year, (A) any property within the boundaries of CFD No. 2013-3 (IA No. 2) 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 granted a possessory interest 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, and (B) all property that is used for "Great Park uses" or uses "ancillary to Great Park uses" as defined in the Amended and Restated Development Agreement.

"Rate and Method of Apportionment" means this Rate and Method of Apportionment for CFD No. 2013-3 (IA No. 2).

"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 establishing CFD No. 2013-3.

"Special Tax" or "Special Taxes" means the special taxes that may be levied on one or more Assessor's Parcel of Taxable Property within CFD No. 2013-3 (IA No. 2) pursuant to this Rate and Method of Apportionment.

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

"State" means the State of California.

"Subordinate CFD No. 2013-3 (IA No. 2) Bonds" means any CFD No. 2013-3 (IA No. 2) Bonds that are subordinate to any current or future CFD No. 2013-3 (IA No. 2) Bonds and that meet the requirements set forth in the Amended and Restated Development Agreement.

"Supplemental Improvement Area" means any Other Improvement Area that has been specifically designated as additional collateral for CFD No. 2013-3 (IA No. 2) Bonds as authorized in the Indenture. The Supplemental Improvement Area shall be retained as additional collateral and security for CFD No. 2013-3 (IA No. 2) Bonds until conditions for the release of the special taxes in the Supplemental Improvement Area, as set forth in the Indenture, are satisfied.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2013-3 (IA No. 2) which are not exempt from the Special Tax pursuant to applicable law or Section F below.

"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 Special Tax Requirement" means, so long as the amount required is not less than zero, that amount 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. 2) Bonds, (iii) pay for Administrative Expenses, (iv) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year, and (v) pay Bond Costs for Other Improvement Area Bonds to the extent that Special Taxes secure an issue of Other Improvement Area Bonds, less (vi) an amount equal to the Developed Property Special Tax Requirement, less (vii) the amount of the Final Mapped Property/Undeveloped Property Special Tax Requirement levied on Final Mapped Property and Undeveloped Property in such Fiscal Year, less (viii) 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.

"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" means, collectively (i) that the amount of the Maximum Special Taxes for Residential Property within each Land Use Class, when combined with all Overlapping Liens, including a sufficient amount to pay the assumed Irvine Ranch Water District assessments (subject to the limitations set forth in the Amended and Restated Development Agreement), shall collectively not exceed two percent (2%) of the expected base sales price (i.e., the base sales price without any optional upgrades included) of the lowest priced residential unit in such Land Use Class, based upon the anticipated sales prices to end users at the time of calculation; (ii) that the amount of the Special Taxes 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. 2) for each Non-Residential Property Land Use Class, divided by the Floor Area Ratio for the applicable Land Use Class, and (iii) the amount of the Special Taxes 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. 2) 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 Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and E herein.

C. MAXIMUM SPECIAL TAX RATE

1. 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, with respect to Land Use Classes 1-30, the Residential Floor Area for each Dwelling Unit. Non-Residential Property shall be assigned to Land Use Classes 31 through 36. Prior to the issuance of the first series of Non-Subordinated CFD No. 2013-3 (IA No. 2) Bonds, the Maximum Special Taxes for Residential Property and the Special Taxes 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-Subordinated CFD No. 2013-3 (IA No. 2) Bonds, or (ii) the written request of the Developer within two hundred 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. 2), a third-party consultant selected by the City shall be engaged (within thirty days after the applicable trigger date) to recalculate the Value Limitation for Residential Property, and, if the City determines that the Maximum Special Taxes for Residential Property for any Land Use Class (as reflected in Table 1) will cause the overall tax burden (including Overlapping Liens) on Residential Property to exceed the recalculated Value Limitation for any Residential Property Land Use Class, then the Maximum Special Tax for Residential Property for any 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. 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. 2) Bonds, or (ii) the written request of the Developer within two hundred 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. 2), a third-party appraiser selected by the City shall be engaged (within thirty days after the applicable trigger date) to recalculate the Value Limitation for Non-Residential Property within CFD No. 2013-3 (IA No. 2), and, based upon the report of the appraiser, if the City so determines that the per square foot and per Acre Special Taxes, as reflected in Table 1, herein, exceed the recalculated Value Limitation for Non-Residential Property for any Land Use Class, then the per square foot and per Acre Special Tax for each 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 Special Taxes for Non-Residential Property do not fall below \$0.40 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 Special Tax for Residential Property and per square foot and per Acre Special Taxes for Non-Residential Property is 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 Special Tax for Residential Property and per square foot and per Acre Special Taxes for Non-Residential Property is triggered by the projected execution of a bond purchase agreement within 120 days, the recalculation(s) shall be completed for all Land Use Classes within CFD No. 2013-3 (IA No. 2) that have not previously experienced a reduction in their Maximum Special Taxes (for Residential Property) or their Special Taxes (for Non-Residential Property).

Each Special Tax 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 special tax reductions in any other Land Use Class, and it shall not be required that a reduction in Special Taxes for one Land Use Class be proportionate to reductions in Special Taxes for any other Land Use Class. If the Special Taxes for a Land Use Class do not require reduction as set forth in this Section C.1, then those Special Taxes shall not be reduced irrespective of any reductions made to other Special Taxes. 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. Notwithstanding the foregoing, under no circumstances may the Special Taxes be reduced under this Section C.1 during the time that the Special Taxes have been pledged to the payment of Bond Costs for Other Improvement Area Bonds.

(a) Developed Property

(i) Maximum Special Tax

The Maximum 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 Special Tax for Developed Property
Improvement Area No. 2 of CFD No. 2013-3
Fiscal Year 2013-2014**

Land Use Class	Description	Maximum Special Tax
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	\$18,824 per Dwelling Unit
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	\$18,065 per Dwelling Unit
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	\$17,306 per Dwelling Unit
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF – 5,199 SF)	\$16,547 per Dwelling Unit
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	\$15,788 per Dwelling Unit
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	\$15,028 per Dwelling Unit
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	\$14,269 per Dwelling Unit
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	\$13,519 per Dwelling Unit

Land Use Class	Description	Maximum Special Tax
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	\$13,082 per Dwelling Unit
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	\$12,724 per Dwelling Unit
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	\$11,394 per Dwelling Unit
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	\$10,565 per Dwelling Unit
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	\$9,863 per Dwelling Unit
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	\$8,992 per Dwelling Unit
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	\$8,196 per Dwelling Unit
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	\$7,589 per Dwelling Unit
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	\$6,769 per Dwelling Unit
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	\$6,681 per Dwelling Unit
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	\$7,715 per Dwelling Unit
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF – 2,599 SF)	\$7,245 per Dwelling Unit
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF – 2,399 SF)	\$6,774 per Dwelling Unit
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF – 2,199 SF)	\$6,304 per Dwelling Unit
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF – 1,999 SF)	\$5,833 per Dwelling Unit
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF – 1,799 SF)	\$5,480 per Dwelling Unit
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF – 1,599 SF)	\$5,057 per Dwelling Unit
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF – 1,399 SF)	\$4,422 per Dwelling Unit
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF – 1,199 SF)	\$3,951 per Dwelling Unit
28	ATTACHED RESIDENTIAL PROPERTY (800 SF – 999 SF)	\$3,481 per Dwelling Unit
29	ATTACHED RESIDENTIAL PROPERTY (< 800 SF)	\$3,363 per Dwelling Unit
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	\$0 per Dwelling Unit
31	NON-RESIDENTIAL - COMMERCIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$20,713 per Acre, when applied, whichever is greater
32	NON-RESIDENTIAL– INDUSTRIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$21,236 per Acre, when applied, whichever is greater

Land Use Class	Description	Maximum Special Tax
33	NON-RESIDENTIAL– INSTITUTIONAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$23,588 per Acre, when applied, whichever is greater
34	NON-RESIDENTIAL – OFFICE PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$21,301 per Acre, when applied, whichever is greater
35	NON-RESIDENTIAL – AUTO CENTER	\$5.02 per square foot of Non-Residential Floor Area or \$18,368 per Acre, when applied, whichever is greater
36	OTHER NON-RESIDENTIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$20,125 per Acre, when applied, whichever is greater

(ii) Increase in the Maximum Special Tax

The Fiscal Year 2013-2014 Maximum 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, 2014 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. 2) Bonds were sold 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. 2) Bonds were sold, by an amount equal to three percent (3%) of the Maximum 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 Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel. 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 Special Tax

The Fiscal Year 2013-2014 Intermediate Maximum Special Tax for each Assessor's Parcel of Final Mapped Property and Undeveloped Property shall be \$31,268 per Acre, and shall increase thereafter, commencing on July 1, 2014 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Intermediate Maximum Special Tax for the previous Fiscal Year.

(ii) Maximum Special Tax

The Fiscal Year 2013-2014 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be \$52,113 per Acre, and shall increase thereafter, commencing on July 1, 2014 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Maximum Special Tax for the previous Fiscal Year.

D. BUYDOWN OF OUTSTANDING BONDS

All of the requirements of this Section D, which describes the need for a buydown of Outstanding Bonds ("Buydown") 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. 2) Bonds. Prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds, the terms of the Buydown shall not apply. The terms of the Buydown shall not apply to any Subordinate CFD No. 2013-3 (IA No. 2) Bonds.

The following additional definitions apply to this Section D:

"Buydown Requirement" means the total amount needed to be collected to calculate and prepay Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds necessary to be prepaid in order to authorize (i) the issuance of residential building permits, or (ii) the approval of a Final Subdivision for non-residential development listed in a request for a Letter of Compliance, as calculated under this Section D.

"Certificate of Satisfaction of Buydown" means a certificate from the CFD Administrator stating that the property described in such certificate has met the Buydown Requirement for such property as calculated under this Section D.

"Letter of Compliance" means a letter from the CFD Administrator authorizing (i) the issuance of residential building permits, or (ii) the approval of a Final Subdivision for non-residential

development based on the prior submittal of a request for a Letter of Compliance by a property owner.

"Update Property" means an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a building permit has been issued after May 1 of the Fiscal Year preceding the current Fiscal Year. For purposes of all calculations in this Section D, Update Property shall be taxed as if it were already Developed Property during the current Fiscal Year.

1. Request for Letter of Compliance

(a) Residential Development

After the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds, a property owner shall, as a precondition to the issuance of a building permit for construction of any residential development for a specific Assessor's Parcel or lot, submit a Letter of Compliance for the construction of the development on such Assessor's Parcel or lot. If a Letter of Compliance has not yet been issued, the property owner must first request a Letter of Compliance from the CFD Administrator. The request from the property owner shall contain a list of all building permits for which the property owner is requesting a Letter of Compliance. The property owner shall also submit the Assessor's Parcels or tract and lot numbers on which the construction is to take place, and the Residential Floor Area for each residential Dwelling Unit associated with each prospective building permit.

(b) Non-Residential Development

After the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds, a property owner shall, as a precondition to the approval of a Final Subdivision which includes development of any non-residential property, submit a Letter of Compliance for the development of the non-residential property on such Final Subdivision. If a Letter of Compliance has not yet been issued, the property owner must first request a Letter of Compliance from the CFD Administrator. 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 Letter of Compliance. The property owner shall also submit the Assessor's Parcels or tract and lot numbers on which non-residential development is to take place.

2. Issuance of Letter of Compliance

(a) Residential Development

The number of residential Dwelling Units by Land Use Class, as listed in Table 2 below, shall be determined by the CFD Administrator prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds to reflect the current development plan for CFD No. 2013-3 (IA No. 2).

For property in Land Use Classes 1-30, upon the receipt of a request for a Letter of Compliance, the CFD Administrator shall assign each building permit identified in such request to Land Use Classes 1 through 30 as listed in Table 2 below based on the type of use and, if applicable, the Residential Floor Area identified for each such building permit. If the CFD Administrator determines (i) that the number of building permits requested for a Land Use Class, plus those

building permits previously issued for such Land Use Class, does not exceed the total number of residential Dwelling Units for such Land Use Class identified in Table 2 below, and (ii) that the total number of residential Dwelling Units anticipated to be constructed pursuant to the current development plan for CFD No. 2013-3 (IA No. 2) shall not be less than the Total Number of Expected Dwelling Units shown in Table 2, then a Letter of Compliance shall be submitted to the property owner by the CFD Administrator authorizing the issuance of the requested building permits for the subject property. This Letter of Compliance shall be submitted to the property owner by the CFD Administrator within ten days of the submittal of the request for a Letter of Compliance by the property owner. However, should (i) the building permits requested for such Land Use Class, plus those previously issued for such Land Use Class, cause the total number of residential Dwelling Units within such Land Use Class to exceed the number of residential Dwelling Units for such Land Use Class identified in Table 2 below, or (ii) the CFD Administrator determines that changes in the development plan may cause a decrease in the number of residential Dwelling Units within CFD No. 2013-3 (IA No. 2) to below the Total Number of Expected Dwelling Units shown in Table 2, then a Letter of Compliance will not be issued and the CFD Administrator will determine if a Buydown shall be required.

(b) Non-Residential Development

The Acreage anticipated for the development of Non-Residential Property, as listed in Table 2 below, shall be determined by the CFD Administrator prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds to reflect the current development plan for CFD No. 2013-3 (IA No. 2).

For property in Land Use Classes 31-36, upon the receipt of a request for a Letter of Compliance, the CFD Administrator shall identify the Acreage of the proposed Non-Residential Property within the Final Subdivision on which such Non-Residential Property is to be located. If the CFD Administrator determines that the Acreage anticipated for the development of Non-Residential Property does not exceed the Total Expected Non-Residential Acreage identified in Table 2 for Land Use Classes 31 through 36, then a Letter of Compliance shall be submitted to the property owner by the CFD Administrator authorizing the approval of the Final Subdivision. This Letter of Compliance shall be submitted to the property owner by the CFD Administrator within ten days of the submittal of the request for a Letter of Compliance by the property owner. However, should the CFD Administrator determine that the changes in the development plan may cause a change to the Acreage anticipated for the development of Non-Residential Property within CFD No. 2013-3 (IA No. 2) to anything greater than the Total Expected Non-Residential Acreage identified in Table 2, then a Letter of Compliance will not be issued and the CFD Administrator will determine if a Buydown shall be required.

TABLE 2

**Expected Residential Dwelling Units per Land Use Class and Non-Residential Acreage
Improvement Area No. 2 of CFD No. 2013-3**

Land Use Class	Description	Expected Dwelling Units/ Acreage
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	TBD
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	TBD
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	TBD
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF – 5,199 SF)	TBD
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	TBD
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	TBD
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	TBD
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	TBD
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	TBD
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	TBD
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	TBD
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	TBD
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	TBD
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	TBD
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	TBD
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	TBD
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	TBD
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	TBD
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	TBD
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF – 2,599 SF)	TBD
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF – 2,399 SF)	TBD
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF – 2,199 SF)	TBD
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF – 1,999 SF)	TBD
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF – 1,799 SF)	TBD
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF – 1,599 SF)	TBD
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF – 1,399 SF)	TBD
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF – 1,199 SF)	TBD
28	ATTACHED RESIDENTIAL PROPERTY (800 SF – 999 SF)	TBD
29	ATTACHED RESIDENTIAL PROPERTY (< 800 SF)	TBD
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	TBD

Land Use Class	Description	Expected Dwelling Units/ Acreage
	Total Number of Expected Dwelling Units (Land Use Classes 1-30)	TBD
31	NON-RESIDENTIAL - COMMERCIAL PROPERTY	TBD
32	NON-RESIDENTIAL- INDUSTRIAL PROPERTY	TBD
33	NON-RESIDENTIAL- INSTITUTIONAL PROPERTY	TBD
34	NON-RESIDENTIAL - OFFICE PROPERTY	TBD
35	NON-RESIDENTIAL - AUTO CENTER	TBD
36	OTHER NON-RESIDENTIAL PROPERTY	TBD
	Total Expected Non-Residential Acreage (Land Use Classes 31-36)	TBD

3. Calculation of Buydown

If a Buydown calculation is required as determined by the CFD Administrator pursuant to paragraph 2 above, the CFD Administrator shall review the current development plan for CFD No. 2013-3 (IA No. 2) in consultation with the current property owners for all remaining Final Mapped Property and Undeveloped Property in CFD No. 2013-3 (IA No. 2), and shall prepare an updated version of Table 2 identifying the revised number of residential Dwelling Units anticipated within each Land Use Class and the revised Acreage anticipated for the development of Non-Residential Property, as applicable. The CFD Administrator shall not be responsible for any delays in preparing the updated Table 2 that result from a refusal on the part of one or more current property owners of Final Mapped Property or Undeveloped Property to provide information on their future development.

The CFD Administrator shall then review the updated Table 2 and determine the Buydown Requirement, if any, to be applied to the property identified in the request for Letter of Compliance to assure CFD No. 2013-3 (IA No. 2)'s ability to levy Special Taxes equal to at least the Debt Service Coverage times the debt service necessary to support the Outstanding Bonds. The calculations shall be undertaken by the CFD Administrator, based on the data in the updated Table 2, as follows:

- Step 1. Compute the sum of the Special Taxes authorized to be levied on all Developed Property and Update Property within CFD No. 2013-3 (IA No. 2), plus the sum of the Special Taxes authorized to be levied on all future development as identified

in the current development plan assuming buildout, as determined by the CFD Administrator in consultation with the property owner(s).

- Step 2. Determine the amount of Special Taxes equal to the Debt Service Coverage times the debt service necessary to support the Outstanding Bonds.
- 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 Buydown will be required and a Letter of Compliance shall be issued by the CFD Administrator to the property owner requesting such Letter of Compliance for all of the building permits and/or Final Subdivisions currently being requested. If the total sum computed pursuant to Step 1 is less than the amount computed pursuant to Step 2, then continue to Step 4.
- Step 4. Determine the Special Tax shortfall by subtracting the total sum computed pursuant to Step 1 from the amount computed pursuant to Step 2. Divide this difference by the amount computed pursuant to Step 2.
- Step 5. Multiply the quotient computed pursuant to Step 4 by the Outstanding Bonds and round up to the nearest increment of \$5,000 to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
- Step 6. Multiply the Bond Redemption Amount computed pursuant to Step 5 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
- Step 7. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the redemption date for the Outstanding Bonds ("Defeasance Amount").
- Step 8. The administrative fees and expenses of CFD No. 2013-3 (IA No. 2) are as calculated by the CFD Administrator and include the costs of computation of the Buydown Requirement, the costs to invest the Buydown Requirement proceeds and the costs of redeeming Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds (the "Administrative Fees and Expenses").
- Step 9. The Buydown Requirement is equal to the sum of the amounts computed pursuant to Steps 5, 6, 7 and 8 (the "Buydown Requirement").
- Step 10. The reserve fund credit (the "Reserve Fund 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 as a result of the Buydown, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the Buydown from the balance in the reserve fund on the Buydown date, 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).

The Buydown Requirement computed under Step 9 shall be billed directly to the property owner of each Assessor's Parcel identified in the request for Letter of Compliance and shall be due within 30 days of the billing date. If the Buydown Requirement is not paid within 45 days of the billing date, a Letter of Compliance will not be issued to the property owner by the CFD Administrator and the authorization of the requested building permits (for residential development) or Final Subdivision (for non-residential development) for the subject property will not be approved until such Buydown Requirement is paid. Upon receipt of the Buydown Requirement, the CFD Administrator shall issue a Letter of Compliance and a Certificate of Satisfaction of Buydown for the subject property. The Reserve Fund Credit calculated pursuant to Step 10 above shall be credited to the property owner of each Assessor's Parcel identified in the request for Letter of Compliance once the CFD Administrator has confirmed receipt of all Special Taxes due for such property owner(s) in the Fiscal Year the Buydown Requirement was made.

4. Costs and Expenses Related to Implementation of Buydown

The costs of the CFD Administrator or other consultants required to review the application for building permits (for residential development) or a Final Subdivision (for non-residential development) and issue Letters of Compliance, as identified in Sections D.1 and D.2, above, shall be paid out of the administrative expenses account as established in the Indenture. The property owner of each Assessor's Parcel identified in the request for Letter of Compliance shall pay as part of the Buydown Requirement (as set forth in Step 8 in Section D.3) all costs of the CFD Administrator or other consultants required to calculate the Buydown Requirement, issue Letters of Compliance and any other actions required under Section D.3. If a Buydown does not occur, such costs will be billed to the property owner and such payment shall be due 30 days after receipt of the invoice by the property owner. A deposit may be required by the CFD Administrator prior to undertaking work related to the Buydown pursuant to Section D.3.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

1. Annual Levy

Commencing with Fiscal Year 2013-2014 and for each following Fiscal Year, the Council shall levy the Special Tax as follows:

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

Second: Determine the Final Mapped Property/Undeveloped Property Special Tax Requirement and Proportionately levy the 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 Special Tax Requirement, or (ii) 100% of the Intermediate Maximum Special Tax for Final Mapped Property.

Third: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement after the first two steps have been completed, the 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 Special Tax Requirement less the amount levied pursuant to the second step above, or (ii) 100% of the Intermediate Maximum Special Tax for Undeveloped Property.

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

Fifth: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement after the first four steps have been completed, then if required to satisfy the Indenture, a special tax shall be levied on each Assessor's Parcel of taxable property located within the Supplemental Improvement Areas pledged to CFD No. 2013-3 (IA No. 2) Bonds, based on the rate and method of apportionment of special taxes for these Supplemental Improvement Areas.

Sixth: Determine the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement and Proportionately levy the 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 Special Tax Requirement or (ii) 100% of the Maximum Special Tax for Taxable Property Owner Association Property.

Seventh: If additional monies are needed to satisfy the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement after the sixth step has been completed, then the 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 Special Tax Requirement less the amount levied pursuant to the sixth step above, or (ii) 100% of the Maximum Special Tax for Taxable Public Property.

2. Supplemental Levy

On or around January 1 of each Fiscal Year, commencing Fiscal Year 2013-2014, if the CFD Administrator determines that there is a shortfall in revenues available to finance one-half of the annual amounts necessary to pay the Guaranteed Amount (the "Semi-Annual Shortfall"), the CFD Administrator may levy additional Special Taxes Proportionately upon each Assessor's Parcel of Final Mapped Property and Undeveloped Property that are not then delinquent, or reasonably foreseen to be delinquent in the judgment of the CFD Administrator, until the amount levied is equal to the Semi-Annual Shortfall. On or around June 1 of each Fiscal Year, if the CFD Administrator determines that there is a Semi-Annual Shortfall, the CFD Administrator may levy additional Special Taxes Proportionately upon each Assessor's Parcel of Final Mapped Property and Undeveloped Property that are not then delinquent, or reasonably foreseen to be delinquent in the judgment of the CFD Administrator, until the amount levied is equal to the Semi-Annual Shortfall. The supplemental levy may occur only twice each Fiscal Year, and the

combined amount of the annual levy pursuant to Section E.1 and the supplemental levies pursuant to this Section E.2 on each Assessor's Parcel in any Fiscal Year shall not exceed the Maximum Special Taxes identified in Section C for such Assessor's Parcel. Each Semi-Annual Shortfall shall be collected by direct billing to owners of such Assessor's Parcels, and the levy shall be due within thirty (30) days of such supplemental levy, and shall be subject to all penalties and interest in the event of delinquency.

F. EXEMPTIONS

No Special Tax shall be levied on up to (i) 800 Acres of Property Owner Association Property in CFD No. 2013-3 (IA No. 2), (ii) 400 Acres of Public Property in CFD No. 2013-3 (IA No. 2), and (iii) 0 Acres of Church Property in CFD No. 2013-3 (IA No. 2). 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. 2) does not cause the total of such Dwelling Units within CFD No. 2013-3 to exceed 544 Dwelling Units. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in CFD No. 2013-3 (IA No. 2) 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 Special Tax and shall be taxed Proportionately as part of the sixth step and seventh step in Section E above, respectively, at up to 100% of the applicable Maximum 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 Special Tax and shall be taxed Proportionately as Other Non-Residential Property in Section E above, at up to 100% of the applicable Maximum 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 Special Tax and shall be taxed Proportionately as Residential Property in Section E above, at up to 100% of the applicable Maximum 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. 2) Bonds and provided that the Special Taxes have not been pledged to the payment of Bond Costs for Other Improvement Area 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.

G. MANNER OF COLLECTION

The 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 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, (ii) may directly bill as a result of any Semi-Annual Shortfall as set forth in Section E.2 above, and (iii) 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, no refund shall be given at that time. However, the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. 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 SPECIAL TAX

Under this Rate and Method of Apportionment, an Assessor's Parcel within CFD No. 2013-3 (IA No. 2) is permitted to prepay a portion of the Maximum Special Tax (the "Prepayable Portion of the Special Tax"). The obligation of the Assessor's Parcel to pay the Prepayable Portion of the 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, 2013, 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 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. 2) Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture. No portion of the Maximum Special Tax other than the Prepayable Portion of the Special Tax may be prepaid. Only Non-Subordinate CFD No. 2013-3 (IA No. 2) 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. 2) Bonds, the percentages identified in Section I (in connection with the calculation of the Prepayable Portion of the Residential Property Special Tax and the Prepayable Portion of the Non-Residential Property 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 Special Tax

The full Prepayment Amount of the Prepayable Portion of the 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 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. 2) Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Special Tax being levied in the current Fiscal Year on the Assessor's Parcel prepaying the Special Tax (under the assumption that the Assessor's Parcel is Developed Property).
- Step 3. Multiply the Maximum Special Tax calculated pursuant to Step 2 by 59.74% (the "Prepayable Portion of the Residential Property Special Tax").
- Step 4. Determine the amount of Special Tax levied in the current Fiscal Year on such Assessor's Parcel which has not yet been paid and multiply this amount by 59.74%
- 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 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 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 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. 2) Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Special Tax being levied in the current Fiscal Year on the Assessor's Parcel prepaying the Special Tax (under the assumption that the Assessor's Parcel is Developed Property).
- Step 3. Multiply the Maximum Special Tax calculated pursuant to Step 2 by 61.39% (the "Prepayable Portion of the Non-Residential Special Tax").
- Step 4. Determine the amount of Special Tax levied in the current Fiscal Year on such Assessor's Parcel which has not yet been paid and multiply this amount by 61.39%

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 Special Tax as determined under Step 3, for the number of year 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 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 Special Tax

PE = the Prepayment Amount of the Prepayable Portion of the 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 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. 2) Bonds, the Prepayment Amount of the Prepayable Portion of the 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. 2) Bonds as possible (or as many Other Improvement Area Bonds as possible, if the Special Taxes secure Other Improvement Area Bonds), and, if amounts are less than \$5,000, to make debt service payments on the Non-Subordinate CFD No. 2013-3 (IA No. 2) Bonds (or Other Improvement Area Bonds if the Special Taxes secure Other Improvement Area 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. 2) Bonds, the Prepayment Amount of the Prepayable Portion of the 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 Special Tax, the CFD Administrator shall remove the current Fiscal Year's Prepayable Portion of the 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. 2) that there has been a prepayment of the Prepayable Portion of the Special Tax and that a portion of the Maximum Special Tax with respect to such Assessor's Parcel, equal to 40.26% of the Maximum Special Tax for Residential Property and 38.61% of the Maximum 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 Special Tax, the CFD Administrator shall remove a portion of the current Fiscal Year's Prepayable Portion of the 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. 2) that there has been a partial prepayment of the Prepayable Portion of the Special Tax and that a portion of the Maximum Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage $[1.00 - (.5974 \times F)]$ multiplied by the Maximum Special Tax for Residential Property and $[1.00 - (.6139 \times F)]$ multiplied by the Maximum 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 Special Tax shall be allowed unless, at the time of such proposed prepayment, the Special Tax that may be levied on Taxable Property within CFD No. 2013-3 (IA No. 2) in all Fiscal Years (after excluding 800 Acres of Property Owner Association Property, 400 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. 2) 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 SPECIAL TAX

65.72% of the Maximum Special Tax on Residential Property and 67.53% of the Maximum 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. 2) Bonds were sold or (ii) Fiscal Year 2052-2053. The remaining portion of the 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. 2) 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 the Amended and Restated Development Agreement in to the Rate and Method of Apportionment, extend the term of the Amended and Restated Development Agreement, as defined therein, and/or amend or modify the provisions thereof.

EXHIBIT A

CERTIFICATE TO AMEND SPECIAL TAX

CITY OF IRVINE AND CFD No. 2013-3 (IA No. 2) 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. 2)") hereby reduce some or all of the Maximum 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. 2).

The information in Table 1 relating to the Fiscal Year 2013-2014 Maximum Special Tax for Developed Property within CFD No. 2013-3 (IA No. 2) 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

Land Use Class	Description	Maximum Special Tax
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF – 2,399 SF)	\$[_____] per Dwelling Unit
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	\$[_____] 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. 2), the City shall cause an amended notice of special tax lien for CFD No. 2013-3 (IA No. 2) 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. 2), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CITY OF IRVINE

By: _____
CFD Administrator

Date: _____

CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3

By: _____

Date: _____

EXHIBIT B

ANNUAL AMOUNTS FOR CFD No. 2013-3

<u>Fiscal Year</u>	<u>Amount</u>
2013-2014	\$4,000,000
2014-2015	\$5,000,000
2015-2016	\$9,500,000
Each Fiscal Year Thereafter, Commencing in Fiscal Year 2016-2017	Increase Amount in Prior Fiscal Year by 3%.

EXHIBIT C

**CFD NO. 2013-3 BOUNDARY MAP INCLUDING FUTURE ANNEXATION
AREA**

PROPOSED BOUNDARIES OF
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT No. 2013-3
(Great Park)
COUNTY OF ORANGE
STATE OF CALIFORNIA

Assessor Parcels within
FUTURE ANNEXATION AREA

- 591-071-05
- 580-082-22
- 580-081-52
- 580-082-32
- 580-082-33
- 580-082-40
- 580-082-41
- 580-082-42
- 580-084-08
- 591-073-18
- 591-082-08
- 591-131-17
- 591-131-25
- 591-132-04
- 591-133-20
- 591-133-21
- 591-133-26
- 591-133-29
- 591-133-32

(1) Filed in the office of the City Clerk of the City of Irvine this 12th day of February, 2013.

Sharie Apodaca
Sharie Apodaca, City Clerk of the City of Irvine

(2) I hereby certify that the within map showing the proposed boundaries of City of Irvine Community Facilities District No. 2013-3 (Great Park), Orange County, State of California, was approved by the City Council of the City of Irvine at a ~~special~~^{regular} meeting thereof, held on this 12 day of February, 2013, by its Resolution No. 13-16.

Sharie Apodaca
Sharie Apodaca, City Clerk of the City of Irvine

Reference is hereby made to the Assessor maps of the County of Orange for a description of the lines and dimensions of each lot and parcel.

(3) Filed this 25 day of February, 2013, at the hour of 11:03 o'clock a.m., in Book 97 of Maps of Assessment and Community Facilities Districts at page 34-36 m/m and as Instrument No. 2013000113331 in the office of the County Recorder of the County of Orange, State of California.

Renee Ramirez
Assistant County Clerk-Recorder of County of Orange

By Leticia Siller
Deputy

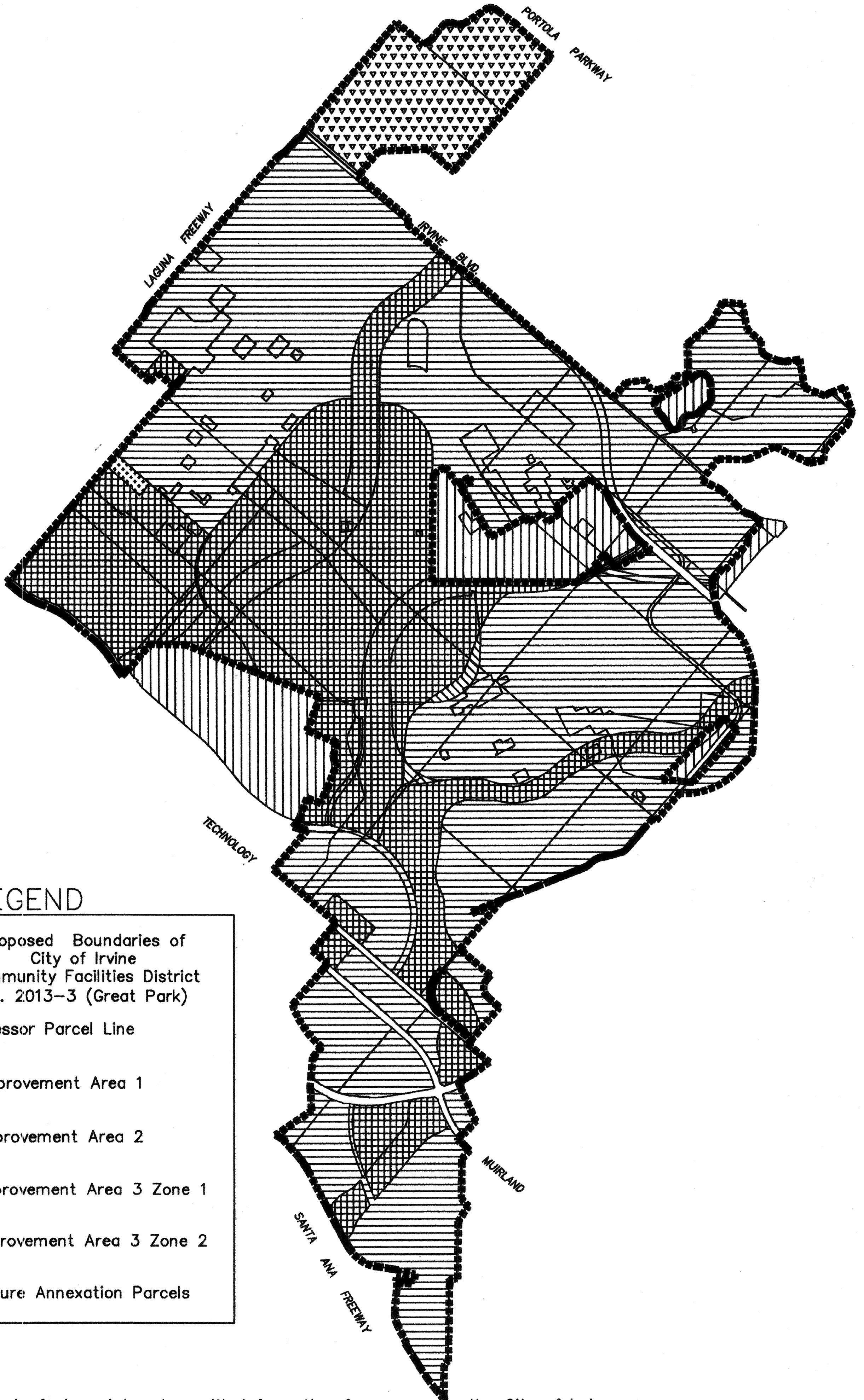
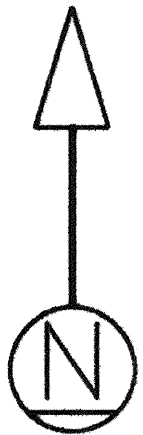
Fee Exempt
Exempt recording requested, per
CA Government Code §6103

**PROPOSED BOUNDARIES OF
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT No. 2013-3
(Great Park)
COUNTY OF ORANGE
STATE OF CALIFORNIA**

Assessor Parcels within
City of Irvine
Community Facilities District No. 2013-3
(Great Park):

IMPROVEMENT AREA 1	IMPROVEMENT AREA 2	IMPROVEMENT AREA 2	IMPROVEMENT AREA 3
580-083-03	(continued)	(continued)	ZONE 2
580-083-04	580-082-64	591-133-10	(continued)
	580-082-66	591-133-14	580-082-55
IMPROVEMENT AREA 2	580-082-67	591-133-22	580-082-59
580-081-09	580-083-01	591-133-23	580-082-62
580-081-12	580-084-05	591-133-24	580-082-63
580-081-13	580-084-07	591-133-25	580-082-65
580-081-21	580-084-09	591-133-28	590-171-01
580-081-22	580-084-10	591-133-30	590-171-04
580-081-23	580-084-11		590-174-04
580-081-29	580-084-12	IMPROVEMENT AREA 3	590-174-05
580-081-36	580-084-13	ZONE 1	590-174-06
580-081-37	580-084-14	580-081-86	591-071-03
580-081-39	590-171-02		591-071-08
580-081-54	590-171-03	IMPROVEMENT AREA 3	591-071-09
580-081-57	590-172-01	ZONE 2	591-073-16
580-081-74	590-173-01	580-081-03	591-131-01
580-081-75	590-173-02	580-081-04	591-131-04
580-081-77	590-174-01	580-081-05	591-131-15
580-081-78	590-174-02	580-081-06	591-131-16
580-081-80	590-174-03	580-081-07	591-131-20
580-081-82	591-071-10	580-081-15	591-131-21
580-081-85	591-071-11	580-081-16	591-131-22
580-081-87	591-071-12	580-081-18	591-131-29
580-082-04	591-073-15	580-081-19	591-131-30
580-082-05	591-073-17	580-081-20	591-131-33
580-082-07	591-082-09	580-081-25	591-131-36
580-082-08	591-131-02	580-081-26	591-131-41
580-082-09	591-131-03	580-081-27	
580-082-10	591-131-07	580-081-32	
580-082-11	591-131-08	580-081-33	
580-082-12	591-131-09	580-081-38	
580-082-17	591-131-10	580-081-55	
580-082-18	591-131-11	580-081-56	
580-082-19	591-131-12	580-081-58	
580-082-20	591-131-13	580-081-59	
580-082-21	591-131-14	580-081-60	
580-082-25	591-131-18	580-081-61	
580-082-26	591-131-19	580-081-62	
580-082-27	591-131-23	580-081-63	
580-082-34	591-131-26	580-081-64	
580-082-35	591-131-27	580-081-65	
580-082-36	591-131-32	580-081-66	
580-082-37	591-131-34	580-081-67	
580-082-38	591-131-35	580-081-68	
580-082-39	591-131-37	580-081-76	
580-082-45	591-131-38	580-081-79	
580-082-46	591-131-39	580-081-83	
580-082-47	591-131-40	580-081-84	
580-082-48	591-132-01	580-082-13	
580-082-49	591-132-02	580-082-15	
580-082-50	591-132-03	580-082-16	
580-082-51	591-133-01	580-082-23	
580-082-52	591-133-02	580-082-24	
580-082-53	591-133-05	580-082-28	
580-082-54	591-133-06	580-082-31	
580-082-60	591-133-08	580-082-43	
580-082-61	591-133-09	580-082-44	

PROPOSED BOUNDARIES OF
 CITY OF IRVINE
 COMMUNITY FACILITIES DISTRICT No. 2013-3
 (Great Park)
 COUNTY OF ORANGE
 STATE OF CALIFORNIA



LEGEND

	Proposed Boundaries of City of Irvine Community Facilities District No. 2013-3 (Great Park)
	Assessor Parcel Line
	Improvement Area 1
	Improvement Area 2
	Improvement Area 3 Zone 1
	Improvement Area 3 Zone 2
	Future Annexation Parcels

ATTACHMENT A-3

**CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT No. 2013-3
IMPROVEMENT AREA No. 3 (GREAT PARK)**

RATE AND METHOD OF APPORTIONMENT

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

A Special Tax shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 3 of City of Irvine Community Facilities District No. 2013-3 (Great Park) ("CFD No. 2013-3 (IA No. 3)") and collected each Fiscal Year commencing in Fiscal Year 2013-2014, 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. 3), 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, collectively, the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the California Government Code, the City Charter, and the City Municipal Code, codified and uncodified.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2013-3 (IA No. 3), 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. 3) or any designee thereof of complying with arbitrage rebate requirements with respect to the Special Tax and CFD No. 2013-3 (IA No. 3) Bonds; the costs to the City, CFD No. 2013-3 (IA No. 3) or any designee thereof of complying with disclosure requirements of the City, CFD No. 2013-3 (IA No. 3) 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. 3) or any designee thereof related to an appeal of the Special Tax; the costs of the City, CFD No. 2013-3 (IA No. 3) or any designee thereof related to the recalculation of the Value Limitation in accordance with Section C.1 below and the Buydown of Outstanding Bonds in accordance with Section D.4 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. 3) Bonds. Administrative Expenses shall also include amounts estimated by the CFD

Administrator or advanced by the City or CFD No. 2013-3 (IA No. 3) for any other administrative purposes of CFD No. 2013-3 (IA No. 3), 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 restricts 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, Heritage Fields El Toro LLC, and the Irvine Redevelopment Agency, as it may be further amended.

"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 is 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 (i) any bond issue sold by any Other Improvement Area in CFD No. 2013-3 and (ii) all Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 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 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 for Zone 1" means the weighted average yield of Outstanding Zone 1 Bonds. For purposes of this calculation, the weighted average yield on Outstanding Zone 1 Bonds shall be

the weighted average of the yield calculated for each series of these Outstanding Zone 1 Bonds at the time such Outstanding Zone 1 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 Zone 1 Bonds.

“Bond Yield for Zone 2” means the weighted average yield of Outstanding Zone 2 Bonds . For purposes of this calculation, the weighted average yield on Outstanding Zone 2 Bonds shall be the weighted average of the yield calculated for each series of these Outstanding Zone 2 Bonds at the time such Outstanding Zone 2 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 Zone 2 Bonds.

"Buydown of Outstanding Bonds" means a mandatory buydown of Outstanding Bonds made by a property owner to compensate for a loss of Special Tax revenues, as determined in accordance with Section D below.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement, and providing for the levy and collection of 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. 3)" means Improvement Area No. 3 of CFD No. 2013-3 as identified on the boundary map for CFD No. 2013-3 and further set forth in the Resolution of Formation.

"CFD No. 2013-3 (IA No. 3) Bonds" means, individually or collectively, as the context requires, the CFD No. 2013-3 (IA No. 3) Zone 1 Bonds and the CFD No. 2013-3 (IA No. 3) Zone 2 Bonds.

"CFD No. 2013-3 (IA No. 3) Zone 1 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. 3) and secured by the Special Taxes levied on property within Zone 1 of CFD No. 2013-3 (IA No. 3) under the Act.

"CFD No. 2013-3 (IA No. 3) Zone 2 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. 3) and secured by the Special Taxes levied on property within Zone 2 of CFD No. 2013-3 (IA No. 3) under the Act.

“Church Property” means all Assessor’s Parcels of Developed Property for which an initial building permit(s) permitting the construction of one or more non-residential facilities has been issued by the City which is 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 is exempt from taxation pursuant to Section 214 of the Revenue and Taxation Code of the State of California.

"City" means the City of Irvine.

"Combined Special Tax Requirement" means the sum of the Special Tax Requirement for Zone 1 plus the Special Tax Requirement for Zone 2.

"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 is 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.

"Debt Service Coverage" means, as the context requires, the Debt Service Coverage for Zone 1 Bonds or the Debt Service Coverage for Zone 2 Bonds.

"Debt Service Coverage for Zone 1 Bonds" means the debt service coverage percentage identified in the additional bonds test or parity bonds test section of the Indenture for Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds.

"Debt Service Coverage for Zone 2 Bonds" means the debt service coverage percentage identified in the additional bonds test or parity bonds test section of the Indenture for Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds and/or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, as applicable.

"Detached Residential Property" means Assessor's Parcels of Developed Property for which building permits have been issued for a Dwelling Unit that is 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, 2012 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

"Developed Property Special Tax Requirement for Zone 1" means, for any Fiscal Year, the Maximum Special Tax on Developed Property in Zone 1.

"Developed Property Special Tax Requirement for Zone 2" means, for any Fiscal Year, the Maximum Special Tax on Developed Property in Zone 2.

"Discount Rate for Zone 1" means (i) prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds, the Bond Index, and (ii) subsequent to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds, the Bond Yield for Zone 1.

“Discount Rate for Zone 2” means (i) prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, the Bond Index, and (ii) subsequent to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, the Bond Yield for Zone 2.

“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, 2012.

“Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 1” means that amount required, if any, in any Fiscal Year to (i) pay debt service on Outstanding Zone 1 Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for any CFD No. 2013-3 (IA No. 3) Zone 1 Bonds, (iii) pay for Zone 1's Share of Administrative Expenses, (iv) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in Zone 1 in the previous Fiscal Year, (v) pay the Guaranteed Amount, and (vi) pay Bond Costs for Other Improvement Area Bonds to the extent that Zone 1's Special Taxes secure an issue of Other Improvement Area Bonds, less (vii) an amount equal to the Developed Property Special Tax Requirement for Zone 1, less (viii) a credit for funds available to reduce the annual Zone 1 Special Tax levy, as determined by the CFD Administrator, so long as the amount required is not less than zero.

“Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 2” means that amount required, if any, in any Fiscal Year to (i) pay debt service on Outstanding Zone 2 Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for any CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, (iii) pay for Zone 2's Share of Administrative Expenses, (iv) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in Zone 2 in the previous Fiscal Year, (v) pay for any services authorized under the Act, and (vi) pay Bond Costs for Other Improvement Area Bonds to the extent that Zone 2's Special Taxes secure an issue of Other Improvement Area Bonds, less (vii) an amount equal to the Developed Property Special Tax Requirement for Zone 2, less (viii) a credit for funds available to reduce the annual Zone 2 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.

"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.

"Future Annexation Area" means the property designated as Future Annexation Parcels on the boundary map for CFD No. 2013-3, as shown in Exhibit C, and anticipated to become subject to the Special Tax.

"Guaranteed Amount" means for any Fiscal Year, the lesser of (i) the Pro Rata Share for Zone 1 of CFD No. 2013-3 (IA No. 3) of the annual amounts set forth in Exhibit B, or (ii) the sum of (a) the Pro Rata Share for Zone 1 of CFD No. 2013-3 (IA No. 3) 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. 3) Zone 1 Bonds issued on behalf of CFD No. 2013-3 (IA No. 3). Notwithstanding the above, the Guaranteed Amount may exceed the Pro Rata Share for Zone 1 of CFD No. 2013-3 (IA No. 3) as discussed in Section E.2. The Guaranteed Amount collected in Zone 1 of CFD No. 2013-3 (IA No. 3) 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. 3) Zone 1 Bonds issued on behalf of CFD No. 2013-3 (IA No. 3).

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which CFD No. 2013-3 (IA No. 3) 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 is 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 is 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 Special Tax" means the intermediate Maximum 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 Tables 1 through 4 or Exhibit A, herein.

"Maximum Special Tax" means the maximum 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 Department of Planning and Land Use, 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. 3) Zone 1 Bonds" means any issue(s) of CFD No. 2013-3 (IA No. 3) Zone 1 Bonds that are not Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds.

"Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds" means any issue(s) of CFD No. 2013-3 (IA No. 3) Zone 2 Bonds that are not Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 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 is primarily used for: professional/medical offices, or for any other uses that are consistent with office land use designations, as determined by the City.

"Other Improvement Area" means an improvement area located within CFD No. 2013-3, other than CFD No. 2013-3 (IA No. 3).

"Other Improvement Area Bonds" means all bonds issued on behalf of Other Improvement Areas that are secured by the Special Taxes levied in Zone 1 or Zone 2 of CFD No. 2013-3 (IA No. 3) in the manner and for the duration set forth in one or more indentures, fiscal agent agreements, or other agreements governing the terms of such Other Improvement Area Bonds.

"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, individually or collectively as the context requires, all CFD No. 2013-3 Outstanding Zone 1 Bonds and Outstanding Zone 2 Bonds.

"Outstanding Zone 1 Bonds" means all Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds which are outstanding under an Indenture.

"Outstanding Zone 2 Bonds" means all Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds and Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds which are outstanding under an Indenture.

"Overlapping Liens" means projected ad valorem property taxes and all direct and overlapping assessments, taxes, special taxes, and charges on the secured tax-roll of the County for each parcel/unit of Taxable Property at the time of CFD No. 2013-3 formation, excluding however, the Special Taxes assessed or levied pursuant to this Rate and Method of Apportionment.

"Prepayable Portion of the Special Tax for Zone 1" shall have the meaning set forth in Section I.

"Prepayable Portion of the Special Tax for Zone 2" shall have the meaning set forth in Section I.

"Pro Rata Share for Zone 1" means the ratio calculated by dividing the anticipated Maximum Special Tax to be levied at build out in Zone 1 of CFD No. 2013-3 (IA No. 3) by the anticipated Maximum Special Tax to be levied at build out for all improvement areas within CFD No. 2013-3, excluding Zone 2 of CFD No. 2013-3 (IA No. 3). So long as there are no CFD No. 2013-3 (IA No. 3) Zone 1 Bonds outstanding, or Special Taxes being pledged to the payment of Bond Costs for Other Improvement Area Bonds by Zone 1 Assessor's Parcels, 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 (other than Zone 2) and in connection with the amendment of Maximum Special Tax rates or Land Use Classes in the rate and method of apportionment for any improvement area of CFD No. 2013-3 (other than Zone 2). Notwithstanding the foregoing, the City shall not recalculate the Pro Rata Share to incorporate any prepayments of the Prepayable Portion of the Special Tax in Zone 1.

"Property Owner Association Property" means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2013-3 (IA No. 3) for which the owner of record, as determined from the County Assessor's secured tax roll for the Fiscal Year in which the 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, irrevocably dedicated, or irrevocably offered to a property owner's association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CFD Administrator by May 1 preceding the Fiscal Year for which the Special Tax is being levied.

"Proportionately" means, for Developed Property within each of Zone 1 and Zone 2, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property within each Zone. For Final Mapped Property within each of Zone 1 and Zone 2, "Proportionately" means that the ratio of the actual Special Tax levy per acre to the Maximum Special Tax per acre is equal for all Assessor's Parcels of Final Mapped Property within each Zone. For Undeveloped Property within each of Zone 1 and Zone 2, "Proportionately" means that the ratio of the actual Special Tax levy per acre to the Maximum Special Tax per acre is equal for all Assessor's Parcels of Undeveloped Property within each Zone. The term "Proportionately" may similarly be applied to other categories of Taxable Property as listed in Section E below. Notwithstanding the above, (i) in Zone 1, a disproportionate levy shall be permissible for any Assessor's Parcels in CFD No. 2013-3 (IA No. 3) to cover any delinquencies by a property owner in Zone 1, (ii) in Zone 2, a disproportionate levy shall be permissible for any Assessor's Parcels in CFD No. 2013-3 (IA No. 3) to cover any delinquencies by a property owner in Zone 2, and (iii) in Zone 1, a disproportionate levy shall be permissible for any Assessor's Parcels to cover any Guaranteed Amount shortfalls generated by delinquencies, as discussed in Section E.2.

"Public Property" means, for each Fiscal Year, (A) all property within the boundaries of CFD No. 2013-3 (IA No. 3) 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 granted a possessory interest by any of the foregoing entities to a private entity, 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, and (B) all property that is used for "Great Park uses" or uses "ancillary to Great Park uses" as defined in the Amended and Restated Development Agreement.

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

"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 establishing CFD No. 2013-3.

"Share" means, in a given Fiscal Year, the portion of each component of the Combined Special Tax Requirement that has been assigned to either Zone 1 or Zone 2 through an Indenture or other document, as determined by the CFD Administrator.

"Special Tax" or "Special Taxes" means the special taxes that may be levied on one or more Assessor's Parcel of Taxable Property within CFD No. 2013-3 (IA No. 3) pursuant to this Rate and Method of Apportionment.

"Special Tax Requirement for Zone 1" means the sum of the Developed Property Special Tax Requirement for Zone 1, the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 1 and the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement for Zone 1.

"Special Tax Requirement for Zone 2" means the sum of the Developed Property Special Tax Requirement for Zone 2, the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 2 and the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement for Zone 2. **"State"** means the State of California.

"Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds" means any CFD No. 2013-3 (IA No. 3) Zone 1 Bonds that are subordinate to any current or future Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds and that meet the requirements set forth in the Amended and Restated Development Agreement.

"Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds" means any CFD No. 2013-3 (IA No. 3) Zone 2 Bonds that are subordinate to any current or future Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds.

"Supplemental Improvement Area" means any Other Improvement Area that has been specifically designated as additional collateral for CFD No. 2013-3 (IA No. 3) Zone 1 Bonds as authorized in the Indenture. The Supplemental Improvement Area shall be retained as additional collateral and security for CFD No. 2013-3 (IA No. 3) Zone 1 Bonds until conditions for the release of the special taxes in the Supplemental Improvement Area, as set forth in the Indenture, are satisfied.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2013-3 (IA No. 3) which are not exempt from the Special Tax pursuant to applicable law or Section F below.

"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 Special Tax Requirement for Zone 1" means, so long as the amount required is not less than zero, that amount required, if any, in any Fiscal Year to (i) pay debt service on the Outstanding Zone 1 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 of CFD No. 2013-3 (IA No. 3) Zone 1 Bonds, (iii) pay for Zone 1's Share of Administrative Expenses, (iv) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy for Zone 1 in the previous Fiscal Year, and (v) pay Bond Costs for Other Improvement Area Bonds to the extent that Zone 1's Special Taxes secure an issue of Other Improvement Area Bonds, less (vi) an amount equal to the Developed Property Special Tax Requirement for Zone 1, less (vii) the amount of the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 1 levied on Final Mapped Property and Undeveloped Property in Zone 1 in such Fiscal Year, less (viii) a credit for funds available to reduce the annual Special Tax levy in Zone 1, as determined by the CFD Administrator.

"Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement for Zone 2" means, so long as the amount required is not less than zero, that amount required, if any, in any Fiscal Year to (i) pay debt service on the Outstanding Zone 2 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 of CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, (iii) pay for Zone 2's Share of Administrative Expenses, (iv) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy for Zone 2 in the previous Fiscal Year, and (v) pay Bond Costs for Other Improvement Area Bonds to the extent that Zone 2's Special Taxes secure an issue of Other Improvement Area Bonds, less (vi) an amount equal to the Developed Property Special Tax Requirement for Zone 2, less (vii) the amount of the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 2 levied on Final Mapped Property and Undeveloped Property in Zone 2 in such Fiscal Year, less (viii) a credit for funds available to reduce the annual Special Tax levy in Zone 2, 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.

"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" means, collectively (i) that the amount of the Maximum Special Taxes for Residential Property within each Land Use Class, when combined with all Overlapping Liens, including a sufficient amount to pay the assumed Irvine Ranch Water District assessments (subject to the limitations set forth in the Amended and Restated Development Agreement), shall collectively not exceed two percent (2%) of the expected base sales price (i.e., the base sales price without any optional upgrades included) of the lowest priced residential unit in such Land Use Class, based upon the anticipated sales prices to end users at the time of calculation; (ii) that the amount of the Special Taxes 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. 3) for each Non-Residential Property Land Use Class, divided by the Floor Area Ratio for the applicable Land Use Class, and (iii) the amount of the Special Taxes 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.

"Zone" means either Zone 1 or Zone 2.

"Zone 1" means the area geographically identified within the boundaries of Zone 1 as delineated in Exhibit C to this Rate and Method of Apportionment and further described as Parcel No. 580-08-186. The area geographically identified within the boundaries of Zone 1 may be amended from time-to-time or modified in order to conform to the boundaries of the applicable final map or precise site plan for such property, but only if the City Council determines that such change will not reduce the aggregate amount of Maximum Special Tax that may be levied on all the property within Zone 1 of CFD No. 2013-3 (IA No. 3) below an amount equal to Debt Service Coverage for Zone 1 Bonds, plus Zone 1's Share of the Administrative Expenses.

"Zone 2" means the area geographically identified within the boundaries of Zone 2 as delineated in Exhibit C to this Rate and Method of Apportionment. The area geographically identified within the boundaries of Zone 2 may be amended from time-to-time or modified in order to conform to the boundaries of the applicable final map or precise site plan for such property, but only if the City Council determines that such change will not reduce the aggregate amount of Maximum Special Tax that may be levied on all the property within Zone 2 of CFD No. 2013-3 (IA No. 3) below an amount equal to Debt Service Coverage for Zone 2 Bonds, plus Zone 2's Share of the Administrative Expenses.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2013-3 (IA No. 3) 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 Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and E herein.

C. MAXIMUM SPECIAL TAX RATE

1. Special Tax

Zone 1

Residential Property in Zone 1 shall be assigned to Land Use Classes 1 through 30 as listed in Table 1 herein, based on the description and, with respect to Land Use Classes 1-30, the Residential Floor Area for each Dwelling Unit. Non-Residential Property in Zone 1 shall be

assigned to Land Use Classes 31 through 36 in Table 1. Prior to the issuance of the first series of Non-Subordinated CFD No. 2013-3 (IA No. 3) Zone 1 Bonds, the Maximum Special Taxes for Residential Property and the Special Taxes for Non-Residential Property in Zone 1 (as 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-Subordinated CFD No. 2013-3 (IA No. 3) Zone 1 Bonds, or (ii) the written request of the City within two hundred 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 Zone 1 of CFD No. 2013 (IA No. 3), a third-party consultant selected by the City shall be engaged (within thirty days after the applicable trigger date) to recalculate the Value Limitation for Residential Property in Zone 1, and, if the City determines that the Maximum Special Taxes for Residential Property for any Land Use Class (as reflected in Table 1) in Zone 1 will cause the overall tax burden (including Overlapping Liens) on Residential Property to exceed the recalculated Value Limitation for any Residential Property Land Use Class in Zone 1, then the Maximum Special Tax for Residential Property for any Land Use Class in Zone 1 (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. 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. 3) Zone 1 Bonds, or (ii) the written request of the City within two hundred 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 Zone 1 of CFD No. 2013 (IA No. 3), a third-party appraiser selected by the City shall be engaged (within thirty days after the applicable trigger date) to recalculate the Value Limitation for Non-Residential Property in Zone 1, and, based upon the report of the appraiser, if the City so determines that the per square foot and per Acre Special Taxes in Zone 1, as reflected in Table 1 herein, exceed the recalculated Value Limitation for Non-Residential Property for any Land Use Class in Zone 1, then the per square foot and per Acre Special Tax for each Non-Residential Property Land Use Class in Zone 1 (as reflected in Table 1) that exceeds its recalculated Value Limitation shall be reduced. The per square foot and per Acre Special Tax for each Non-Residential Property Land Use Class in Zone 1 (as reflected in Table 1) shall be reduced to the amount necessary to comply with its recalculated Value Limitation, provided, however, that the Maximum Special Taxes for Non-Residential Property in Zone 1 do not fall below \$0.40 per square foot of Non-Residential Floor Area.

Notwithstanding the above, if, and to the extent, the recalculation of the Maximum Special Tax for Residential Property in Zone 1 and per square foot and per Acre Special Taxes for Non-Residential Property in Zone 1 is 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 Special Tax for Residential Property in Zone 1 and per square foot and per Acre Special Taxes for Non-Residential Property in Zone 1 is triggered by the projected execution of a bond

purchase agreement within 120 days, the recalculation(s) shall be completed for all Land Use Classes within Zone 1 of CFD No. 2013-3 (IA No. 1) that have not previously experienced a reduction in their Maximum Special Taxes (for Residential Property) or their Special Taxes (for Non-Residential Property).

Each Special Tax 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 special tax reductions in any other Land Use Class, and it shall not be required that a reduction in Special Taxes for one Land Use Class be proportionate to reductions in Special Taxes for any other Land Use Class. If the Special Taxes for a Land Use Class do not require reduction as set forth in this Section C.1., then those Special Taxes shall not be reduced irrespective of any reductions made to other Special Taxes. 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. Notwithstanding the foregoing, under no circumstances may the Special Taxes be reduced under this Section C.1 during the time that the Special Taxes have been pledged to the payment of Bond Costs for Other Improvement Area Bonds.

Zone 2

Residential Property in Zone 2 shall be assigned to Land Use Classes 1 through 30 as listed in Table 2 herein, based on the description and, with respect to Land Use Classes 1-30, the Residential Floor Area for each Dwelling Unit. Non-Residential Property in Zone 2 shall be assigned to Land Use Classes 31 through 36 in Table 2. Prior to the issuance of the first series of Non-Subordinated CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, the Maximum Special Taxes for Residential Property and the Special Taxes for Non-Residential Property in Zone 2 (as set forth in Table 2) 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-Subordinated CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, or (ii) the written request of the City, a third-party consultant selected by the City shall be engaged (within thirty days after the applicable trigger date) to recalculate the Value Limitation for Residential Property in Zone 2, and, if the City determines that the Maximum Special Taxes for Residential Property for any Land Use Class (as reflected in Table 2) in Zone 2 will cause the overall tax burden (including Overlapping Liens) on Residential Property to exceed the recalculated Value Limitation for any Residential Property Land Use Class in Zone 2, then the Maximum Special Tax for Residential Property for any Land Use Class in Zone 2 (as reflected in Table 2) that exceeds its recalculated Value Limitation shall be reduced to the amount necessary to comply with its recalculated Value Limitation, or some lower amount as determined at the sole discretion of the City. 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. 3) Zone 2 Bonds, or (ii) the written request of the City, a third-party appraiser selected by the City shall be engaged (within thirty days after the applicable trigger date) to

recalculate the Value Limitation for Non-Residential Property in Zone 2, and, based upon the report of the appraiser, if the City so determines that the per square foot and per Acre Special Taxes in Zone 2, as reflected in Table 2 herein, exceed the recalculated Value Limitation for Non-Residential Property for any Land Use Class in Zone 2, then the per square foot and per Acre Special Tax for each Non-Residential Property Land Use Class in Zone 2 (as reflected in Table 2) that exceeds its recalculated Value Limitation shall be reduced. The per square foot and per Acre Special Tax for each Non-Residential Property Land Use Class in Zone 2 (as reflected in Table 2) shall also be reduced to the amount necessary to comply with its recalculated Value Limitation, or such lower amount as determined in the sole discretion of the City. The reduction shall occur within thirty (30) calendar days of the completion of the third-party appraiser's report.

Each Special Tax 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 special tax reductions in any other Land Use Class, and it shall not be required that a reduction in Special Taxes for one Land Use Class be proportionate to reductions in Special Taxes for any other Land Use Class. If the Special Taxes for a Land Use Class do not require reduction as set forth in this Section C.1., then those Special Taxes shall not be reduced irrespective of any reductions made to other Special Taxes. 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. Notwithstanding the foregoing, under no circumstances may the Special Taxes be reduced under this Section C.1 during the time that the Special Taxes have been pledged to the payment of Bond Costs for Other Improvement Area Bonds.

(a) Developed Property

(i) Maximum Special Tax

The Maximum 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 in Zone 1 is listed below in Table 1 and in Zone 2 is listed below in Table 2.

TABLE 1

**Maximum Special Tax for Developed Property
Improvement Area No. 3 of CFD No. 2013-3
Fiscal Year 2013-2014
Zone 1**

Land Use Class	Description	Maximum Special Tax
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	\$18,824 per Dwelling Unit

Land Use Class	Description	Maximum Special Tax
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	\$18,065 per Dwelling Unit
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	\$17,306 per Dwelling Unit
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF - 5,199 SF)	\$16,547 per Dwelling Unit
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	\$15,788 per Dwelling Unit
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	\$15,028 per Dwelling Unit
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	\$14,269 per Dwelling Unit
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	\$13,519 per Dwelling Unit
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	\$13,082 per Dwelling Unit
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	\$12,724 per Dwelling Unit
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	\$11,394 per Dwelling Unit
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	\$10,565 per Dwelling Unit
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	\$9,863 per Dwelling Unit
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	\$8,992 per Dwelling Unit
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	\$8,196 per Dwelling Unit
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	\$7,589 per Dwelling Unit
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	\$6,769 per Dwelling Unit
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	\$6,681 per Dwelling Unit
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	\$7,715 per Dwelling Unit
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF - 2,599 SF)	\$7,245 per Dwelling Unit
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF - 2,399 SF)	\$6,774 per Dwelling Unit
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF - 2,199 SF)	\$6,304 per Dwelling Unit
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF - 1,999 SF)	\$5,833 per Dwelling Unit
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF - 1,799 SF)	\$5,480 per Dwelling Unit
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF - 1,599 SF)	\$5,057 per Dwelling Unit
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF - 1,399 SF)	\$4,422 per Dwelling Unit
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF - 1,199 SF)	\$3,951 per Dwelling Unit
28	ATTACHED RESIDENTIAL PROPERTY (800 SF - 999 SF)	\$3,481 per Dwelling Unit
29	ATTACHED RESIDENTIAL PROPERTY (< 800 SF)	\$3,363 per Dwelling Unit
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	\$0 per Dwelling Unit

Land Use Class	Description	Maximum Special Tax
31	NON-RESIDENTIAL - COMMERCIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$20,713 per Acre, when applied, whichever is greater
32	NON-RESIDENTIAL- INDUSTRIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$21,236 per Acre, when applied, whichever is greater
33	NON-RESIDENTIAL- INSTITUTIONAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$23,588 per Acre, when applied, whichever is greater
34	NON-RESIDENTIAL – OFFICE PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$21,301 per Acre, when applied, whichever is greater
35	NON-RESIDENTIAL – AUTO CENTER	\$5.02 per square foot of Non-Residential Floor Area or \$18,368 per Acre, when applied, whichever is greater
36	OTHER NON-RESIDENTIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$20,125 per Acre, when applied, whichever is greater

TABLE 2

**Maximum Special Tax for Developed Property
Improvement Area No. 3 of CFD No. 2013-3
Fiscal Year 2013-2014
Zone 2**

Land Use Class	Description	Maximum Special Tax
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	\$18,824 per Dwelling Unit
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	\$18,065 per Dwelling Unit
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	\$17,306 per Dwelling Unit
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF – 5,199 SF)	\$16,547 per Dwelling Unit
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	\$15,788 per Dwelling Unit
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	\$15,028 per Dwelling Unit
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	\$14,269 per Dwelling Unit
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	\$13,519 per Dwelling Unit
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	\$13,082 per Dwelling Unit
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	\$12,724 per Dwelling Unit
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	\$11,394 per Dwelling Unit
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	\$10,565 per Dwelling Unit
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	\$9,863 per Dwelling Unit
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	\$8,992 per Dwelling Unit
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	\$8,196 per Dwelling Unit
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	\$7,589 per Dwelling Unit
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	\$6,769 per Dwelling Unit
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	\$6,681 per Dwelling Unit
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	\$7,715 per Dwelling Unit
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF – 2,599 SF)	\$7,245 per Dwelling Unit
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF – 2,399 SF)	\$6,774 per Dwelling Unit
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF – 2,199 SF)	\$6,304 per Dwelling Unit
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF – 1,999 SF)	\$5,833 per Dwelling Unit
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF – 1,799 SF)	\$5,480 per Dwelling Unit
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF – 1,599 SF)	\$5,057 per Dwelling Unit
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF – 1,399 SF)	\$4,422 per Dwelling Unit
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF – 1,199 SF)	\$3,951 per Dwelling Unit
28	ATTACHED RESIDENTIAL PROPERTY (800 SF – 999 SF)	\$3,481 per Dwelling Unit

Land Use Class	Description	Maximum Special Tax
29	ATTACHED RESIDENTIAL PROPERTY (< 800 SF)	\$3,363 per Dwelling Unit
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	\$0 per Dwelling Unit
31	NON-RESIDENTIAL - COMMERCIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$20,713 per Acre, when applied, whichever is greater
32	NON-RESIDENTIAL- INDUSTRIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$21,236 per Acre, when applied, whichever is greater
33	NON-RESIDENTIAL- INSTITUTIONAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$23,588 per Acre, when applied, whichever is greater
34	NON-RESIDENTIAL – OFFICE PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$21,301 per Acre, when applied, whichever is greater
35	NON-RESIDENTIAL – AUTO CENTER	\$5.02 per square foot of Non-Residential Floor Area or \$18,368 per Acre, when applied, whichever is greater
36	OTHER NON-RESIDENTIAL PROPERTY	\$1.50 per square foot of Non-Residential Floor Area or \$20,125 per Acre, when applied, whichever is greater

(ii) Increase in the Maximum Special Tax

Zone 1

The Fiscal Year 2013-2014 Maximum Special Tax, identified in Table 1 above, as such Table 1 may be amended and restated in full pursuant to this Rate and Method of Apportionment, shall increase thereafter (i) commencing on July 1, 2014 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. 3) Zone 1 Bonds were sold 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. 3) Zone 1 Bonds were sold, by an amount equal to three percent (3%) of the Maximum 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.

Zone 2

The Fiscal Year 2013-2014 Maximum Special Tax, identified in Table 2 above, as such Table 2 may be amended and restated in full pursuant to this Rate and Method of Apportionment, shall increase thereafter (i) commencing on July 1, 2014 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. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds were sold 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. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds were sold, by an amount equal to three percent (3%) of the Maximum Special Tax, 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 in Zone 1 or Zone 2 may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel. 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 Special Tax

Zone 1

The Fiscal Year 2013-2014 Intermediate Maximum Special Tax for each Assessor's Parcel of Final Mapped Property and Undeveloped Property in Zone 1 shall be \$31,268 per Acre, and shall increase thereafter, commencing on July 1, 2014 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Intermediate Maximum Special Tax in Zone 1 for the previous Fiscal Year.

Zone 2

The Fiscal Year 2013-2014 Intermediate Maximum Special Tax for each Assessor's Parcel of Final Mapped Property and Undeveloped Property in Zone 2 shall be \$31,268 per Acre, and shall increase thereafter, commencing on July 1, 2014 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Intermediate Maximum Special Tax in Zone 2 for the previous Fiscal Year.

(ii) Maximum Special Tax

Zone 1

The Fiscal Year 2013-2014 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property in Zone 1 shall be \$52,113 per Acre, and shall increase thereafter, commencing on July 1, 2014 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Maximum Special Tax for those Zone 1 parcels for the previous Fiscal Year.

Zone 2

The Fiscal Year 2013-2014 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property in Zone 2 shall be \$52,113 per Acre, and shall increase thereafter, commencing on July 1, 2014 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Maximum Special Tax for those Zone 2 parcels for the previous Fiscal Year.

D. BUYDOWN OF OUTSTANDING BONDS

All of the requirements of this Section D, which describes the need for a buydown of Outstanding Bonds ("Buydown") that may result from a change in development as determined pursuant to this Section D, shall apply to each Zone separately. For Zone 1, the buydown shall

only apply after the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds. Prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds, the terms of the Buydown shall not apply to Zone 1. The terms of the Buydown shall not apply to any Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds.

For Zone 2, the buydown shall only apply after the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds. Prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, the terms of the Buydown shall not apply to Zone 2. The terms of the Buydown shall apply to all Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds and Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds.

The following additional definitions apply to this Section D:

"Buydown Requirement" means the total amount needed to be collected to calculate and prepay Outstanding CFD No. 2013-3 (IA No. 3) Bonds necessary to be prepaid in order to authorize (i) the issuance of residential building permits, or (ii) the approval of a Final Subdivision for non-residential development listed in a request for a Letter of Compliance, as calculated under this Section D.

"Certificate of Satisfaction of Buydown" means a certificate from the CFD Administrator stating that the property described in such certificate has met the Buydown Requirement for such property as calculated under this Section D.

"Letter of Compliance" means a letter from the CFD Administrator authorizing (i) the issuance of residential building permits, or (ii) the approval of a Final Subdivision for non-residential development based on the prior submittal of a request for a Letter of Compliance by a property owner.

"Update Property" means an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a building permit has been issued after May 1 of the Fiscal Year preceding the current Fiscal Year. For purposes of all calculations in this Section D, Update Property shall be taxed as if it were already Developed Property during the current Fiscal Year.

1. Request for Letter of Compliance

(a) Residential Development

After the issuance of the first series of Outstanding CFD No. 2013-3 (IA No. 3) Bonds, a property owner shall, as a precondition to the issuance of a building permit for construction of any residential development for a specific Assessor's Parcel or lot, submit a Letter of Compliance for the construction of the development on such Assessor's Parcel or lot. If a Letter of Compliance has not yet been issued, the property owner must first request a Letter of Compliance from the CFD Administrator. The request from the property owner shall contain a list of all building permits for which the property owner is requesting a Letter of Compliance. The property owner shall also submit the Assessor's Parcels or tract and lot numbers on which

the construction is to take place, and the Residential Floor Area for each residential Dwelling Unit associated with each prospective building permit.

(b) Non-Residential Development

After the issuance of the first series of Outstanding CFD No. 2013-3 (IA No. 3) Bonds, a property owner shall, as a precondition to the approval of a Final Subdivision which includes development of any non-residential property, submit a Letter of Compliance for the development of the non-residential property on such Final Subdivision. If a Letter of Compliance has not yet been issued, the property owner must first request a Letter of Compliance from the CFD Administrator. 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 Letter of Compliance. The property owner shall also submit the Assessor's Parcels or tract and lot numbers on which non-residential development is to take place.

2. Issuance of Letter of Compliance

The provisions of this Section 2 apply separately to each Zone.

(a) Residential Development

The number of residential Dwelling Units by Land Use Class within Zone 1, as listed in Table 3 below, shall be determined by the CFD Administrator prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds to reflect the current development plan for Zone 1 of CFD No. 2013-3 (IA No. 3).

The number of residential Dwelling Units by Land Use Class within Zone 2, as listed in Table 4 below, shall be determined by the CFD Administrator prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds to reflect the current development plan for Zone 2 of CFD No. 2013-3 (IA No. 3).

For property in Land Use Classes 1-30, upon the receipt of a request for a Letter of Compliance, the CFD Administrator shall assign each building permit identified in such request to Land Use Classes 1 through 30 as listed in Table 3 or Table 4 below, depending upon whether the location of the Assessor's Parcel for which the building permit is being issued is located in Zone 1 or Zone 2, based on the type of use and, if applicable, the Residential Floor Area identified for each such building permit. If the CFD Administrator determines (i) that the number of building permits requested for a Land Use Class in a given Zone, plus those building permits previously issued for such Land Use Class in that Zone, does not exceed the total number of residential Dwelling Units for such Land Use Class identified in Table 3 or Table 4, as applicable, and (ii) that the total number of residential Dwelling Units anticipated to be constructed within a given Zone pursuant to the current development plan for CFD No. 2013-3 (IA No. 3) shall not be less than the Total Number of Expected Dwelling Units shown in Table 3 or Table 4, as applicable, then a Letter of Compliance shall be submitted to the property owner by the CFD Administrator authorizing the issuance of the requested building permits for the subject property. This Letter of Compliance shall be submitted to the property owner by the CFD Administrator within ten days

of the submittal of the request for a Letter of Compliance by the property owner. However, should (i) the building permits requested for such Land Use Class in a given Zone, plus those previously issued for such Land Use Class in that Zone, cause the total number of residential Dwelling Units within such Land Use Class to exceed the number of residential Dwelling Units for such Land Use Class identified in Table 3 or Table 4, as applicable, or (ii) the CFD Administrator determines that changes in the development plan may cause a decrease in the number of residential Dwelling Units in that Zone within CFD No. 2013-3 (IA No. 3) to below the Total Number of Expected Dwelling Units shown in Table 3 or Table 4, as applicable, then a Letter of Compliance will not be issued and the CFD Administrator will determine if a Buydown shall be required.

(b) Non-Residential Development

The Acreage anticipated for the development of Non-Residential Property within Zone 1, as listed in Table 3 below, shall be determined by the CFD Administrator prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds to reflect the current development plan for Zone 1 of CFD No. 2013-3 (IA No. 3).

The Acreage anticipated for the development of Non-Residential Property within Zone 2, as listed in Table 4 below, shall be determined by the CFD Administrator prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds to reflect the current development plan for Zone 2 of CFD No. 2013-3 (IA No. 3).

For property in Land Use Classes 31-36, upon the receipt of a request for a Letter of Compliance, the CFD Administrator shall identify the Acreage of the proposed Non-Residential Property within the Final Subdivision on which such Non-Residential Property is to be located. If the CFD Administrator determines that the Acreage anticipated for the development of Non-Residential Property within a given Zone does not exceed the Total Expected Non-Residential Acreage identified in Table 3 or Table 4, as applicable, for Land Use Classes 31 through 36, then a Letter of Compliance shall be submitted to the property owner by the CFD Administrator authorizing the approval of the Final Subdivision. This Letter of Compliance shall be submitted to the property owner by the CFD Administrator within ten days of the submittal of the request for a Letter of Compliance by the property owner. However, should the CFD Administrator determine that the changes in the development plan may cause a change to the Acreage anticipated for the development of Non-Residential Property within a given Zone in CFD No. 2013-3 (IA No. 3) to anything greater than the Total Expected Non-Residential Acreage identified in Table 3 or Table 4, as applicable, then a Letter of Compliance will not be issued and the CFD Administrator will determine if a Buydown shall be required.

TABLE 3

**Expected Residential Dwelling Units per Land Use Class and Non-Residential Acreage
Improvement Area No. 3 of CFD No. 2013-3
Zone 1**

Land Use Class	Description	Expected Dwelling Units/ Acreage
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	0
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	0
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	0
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF – 5,199 SF)	0
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	0
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	0
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	0
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	0
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	0
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	0
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	0
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	0
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	0
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	0
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	0
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	0
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	0
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	0
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	0
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF – 2,599 SF)	0
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF – 2,399 SF)	0
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF – 2,199 SF)	0
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF – 1,999 SF)	0
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF – 1,799 SF)	0
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF – 1,599 SF)	0

Land Use Class	Description	Expected Dwelling Units/ Acreage
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF – 1,399 SF)	0
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF – 1,199 SF)	0
28	ATTACHED RESIDENTIAL PROPERTY (800 SF – 999 SF)	0
29	ATTACHED RESIDENTIAL PROPERTY (< 800 SF)	0
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	0
	Total Number of Expected Dwelling Units (Land Use Classes 1-30)	0
31	NON-RESIDENTIAL - COMMERCIAL PROPERTY	0
32	NON-RESIDENTIAL– INDUSTRIAL PROPERTY	0
33	NON-RESIDENTIAL– INSTITUTIONAL PROPERTY	0
34	NON-RESIDENTIAL – OFFICE PROPERTY	0
35	NON-RESIDENTIAL – AUTO CENTER	0
36	OTHER NON-RESIDENTIAL PROPERTY	0
	Total Expected Non-Residential Acreage (Land Use Classes 31-36)	0

TABLE 4

**Expected Residential Dwelling Units per Land Use Class and Non-Residential Acreage
Improvement Area No. 3 of CFD No. 2013-3
Zone 2**

Land Use Class	Description	Expected Dwelling Units/ Acreage
1	DETACHED RESIDENTIAL PROPERTY (=> 5,700 SF)	0
2	DETACHED RESIDENTIAL PROPERTY (5,450 SF - 5,699 SF)	0
3	DETACHED RESIDENTIAL PROPERTY (5,200 SF - 5,449 SF)	0
4	DETACHED RESIDENTIAL PROPERTY (4,950 SF – 5,199 SF)	0
5	DETACHED RESIDENTIAL PROPERTY (4,700 SF - 4,949 SF)	0
6	DETACHED RESIDENTIAL PROPERTY (4,450 SF - 4,699 SF)	0
7	DETACHED RESIDENTIAL PROPERTY (4,200 SF - 4,449 SF)	0
8	DETACHED RESIDENTIAL PROPERTY (3,950 SF - 4,199 SF)	0
9	DETACHED RESIDENTIAL PROPERTY (3,700 SF - 3,949 SF)	0
10	DETACHED RESIDENTIAL PROPERTY (3,450 SF - 3,699 SF)	0
11	DETACHED RESIDENTIAL PROPERTY (3,200 SF - 3,449 SF)	0
12	DETACHED RESIDENTIAL PROPERTY (2,950 SF - 3,199 SF)	0
13	DETACHED RESIDENTIAL PROPERTY (2,700 SF - 2,949 SF)	0
14	DETACHED RESIDENTIAL PROPERTY (2,450 SF - 2,699 SF)	0
15	DETACHED RESIDENTIAL PROPERTY (2,200 SF - 2,449 SF)	0
16	DETACHED RESIDENTIAL PROPERTY (1,950 SF - 2,199 SF)	0
17	DETACHED RESIDENTIAL PROPERTY (1,700 SF - 1,949 SF)	0
18	DETACHED RESIDENTIAL PROPERTY (< 1,700 SF)	0
19	ATTACHED RESIDENTIAL PROPERTY (=> 2,600 SF)	0
20	ATTACHED RESIDENTIAL PROPERTY (2,400 SF – 2,599 SF)	0
21	ATTACHED RESIDENTIAL PROPERTY (2,200 SF – 2,399 SF)	0
22	ATTACHED RESIDENTIAL PROPERTY (2,000 SF – 2,199 SF)	0
23	ATTACHED RESIDENTIAL PROPERTY (1,800 SF – 1,999 SF)	0
24	ATTACHED RESIDENTIAL PROPERTY (1,600 SF – 1,799 SF)	0
25	ATTACHED RESIDENTIAL PROPERTY (1,400 SF – 1,599 SF)	0

Land Use Class	Description	Expected Dwelling Units/ Acreage
26	ATTACHED RESIDENTIAL PROPERTY (1,200 SF – 1,399 SF)	0
27	ATTACHED RESIDENTIAL PROPERTY (1,000 SF – 1,199 SF)	0
28	ATTACHED RESIDENTIAL PROPERTY (800 SF – 999 SF)	0
29	ATTACHED RESIDENTIAL PROPERTY (< 800 SF)	0
30	AFFORDABLE HOUSING, MODERATE AFFORDABLE UNITS, AND MODERATE AFFORDABLE SENIOR UNITS	0
	Total Number of Expected Dwelling Units (Land Use Classes 1-30)	0
31	NON-RESIDENTIAL - COMMERCIAL PROPERTY	0
32	NON-RESIDENTIAL– INDUSTRIAL PROPERTY	0
33	NON-RESIDENTIAL– INSTITUTIONAL PROPERTY	0
34	NON-RESIDENTIAL – OFFICE PROPERTY	0
35	NON-RESIDENTIAL – AUTO CENTER	0
36	OTHER NON-RESIDENTIAL PROPERTY	0
	Total Expected Non-Residential Acreage (Land Use Classes 31-36)	0

3. Calculation of Buydown

If a Buydown calculation is required as determined by the CFD Administrator pursuant to paragraph 2 above, the CFD Administrator shall review the current development plan for the applicable Zone in CFD No. 2013-3 (IA No. 3) in consultation with the current property owners for all remaining Final Mapped Property and Undeveloped Property in the applicable Zone of CFD No. 2013-3 (IA No. 3), and shall prepare an updated version of Table 3 and/or Table 4, as applicable, identifying the revised number of residential Dwelling Units anticipated within each Land Use Class and the revised Acreage anticipated for the development of Non-Residential Property. The CFD Administrator shall not be responsible for any delays in preparing the updated Table 3 and/or Table 4 that result from a refusal on the part of one or more current property owners of Final Mapped Property or Undeveloped Property to provide information on

their future development.

The CFD Administrator shall then review the updated Table 3 or Table 4 and determine the Buydown Requirement, if any, to be applied to the property identified in the request for Letter of Compliance to assure the applicable Zone in CFD No. 2013-3 (IA No. 3)'s ability to levy Special Taxes equal to at least the Debt Service Coverage for the applicable Zone times the debt service necessary to support the Outstanding Bonds for the applicable Zone.

The calculations shall be undertaken by the CFD Administrator for each of Table 3 and Table 4, based on the data in the updated tables, as follows:

1. Compute the sum of the Special Taxes authorized to be levied on all Developed Property and Update Property within the applicable Zone in CFD No. 2013-3 (IA No. 3), plus the sum of the Special Taxes authorized to be levied on all future development as identified in the current development plan assuming buildout in the applicable Zone, as determined by the CFD Administrator in consultation with the property owner(s).
2. Determine the amount of Special Taxes equal to the Debt Service Coverage times the debt service necessary to support the Outstanding Bonds for the applicable Zone.
3. If the total sum computed pursuant to Step 1 for the applicable Zone is greater than or equal to the amount computed pursuant to Step 2 for the applicable Zone, then no Buydown will be required and a Letter of Compliance shall be issued by the CFD Administrator to the property owner requesting such Letter of Compliance for all of the building permits and/or Final Subdivisions currently being requested. If the total sum computed pursuant to Step 1 for the applicable Zone is less than the amount computed pursuant to Step 2 for the applicable Zone, then continue to Step 4.
4. Determine the Special Tax shortfall in the applicable Zone by subtracting the total sum computed pursuant to Step 1 from the amount computed pursuant to Step 2 for the applicable Zone. Divide the sum of the differences within the applicable Zone by the amount computed pursuant to Step 2.
5. Multiply the quotient computed pursuant to Step 4 by the Outstanding Bonds and round up to the nearest increment of \$5,000 to compute the amount of Outstanding Bonds for the applicable Zone to be retired and prepaid (the "Bond Redemption Amount").
6. Multiply the Bond Redemption Amount computed pursuant to Step 5 by the applicable redemption premium, if any, on the Outstanding Bonds for the applicable Zone to be redeemed (the "Redemption Premium").
7. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the redemption date for the Outstanding Bonds for the applicable Zone ("Defeasance Amount").
8. The administrative fees and expenses of CFD No. 2013-3 (IA No. 3) are as calculated by the CFD Administrator and include the costs of computation of the Buydown Requirement, the

costs to invest the Buydown Requirement proceeds and the costs of redeeming Outstanding Bonds for the applicable Zone (the "Administrative Fees and Expenses").

9. The Buydown Requirement is equal to the sum of the amounts computed pursuant to Steps 5, 6, 7 and 8 (the "Buydown Requirement").

10. The reserve fund credit (the "Reserve Fund 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 for the applicable Zone as a result of the Buydown, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds for the applicable Zone as a result of the Buydown from the balance in the reserve fund on the Buydown date, 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 for the applicable Zone is below 100% of the reserve requirement (as defined in the Indenture).

The Buydown Requirement computed under Step 9 shall be billed directly to the property owner of each Assessor's Parcel identified in the request for Letter of Compliance and shall be due within 30 days of the billing date. If the Buydown Requirement is not paid within 45 days of the billing date, a Letter of Compliance will not be issued to the property owner by the CFD Administrator and the authorization of the requested building permits (for residential development) or Final Subdivision (for non-residential development) for the subject property will not be approved until such Buydown Requirement is paid. Upon receipt of the Buydown Requirement, the CFD Administrator shall issue a Letter of Compliance and a Certificate of Satisfaction of Buydown for the subject property. The Reserve Fund Credit calculated pursuant to Step 10 above shall be credited to the property owner of each Assessor's Parcel identified in the request for Letter of Compliance once the CFD Administrator has confirmed receipt of all Special Taxes due for such property owner(s) in the Fiscal Year the Buydown Requirement was made.

4. Costs and Expenses Related to Implementation of Buydown

The costs of the CFD Administrator or other consultants required to review the application for building permits (for residential development) or a Final Subdivision (for non-residential development) and issue Letters of Compliance, as identified in Sections D.1 and D.2, above, shall be paid out of the administrative expenses account as established in the Indenture. The property owner of each Assessor's Parcel identified in the request for Letter of Compliance shall pay as part of the Buydown Requirement (as set forth in Step 8 in Section D.3) all costs of the CFD Administrator or other consultants required to calculate the Buydown Requirement, issue Letters of Compliance and any other actions required under Section D.3. If a Buydown does not occur, such costs will be billed to the property owner and such payment shall be due 30 days after receipt of the invoice by the property owner. A deposit may be required by the CFD Administrator prior to undertaking work related to the Buydown pursuant to Section D.3.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

1. Annual Levy

Commencing with Fiscal Year 2013-2014 and for each following Fiscal Year, the Council shall levy the Special Tax as follows:

(a) Zone 1

First: The Special Tax shall be levied on each Assessor's Parcel of Developed Property in Zone 1 in an amount equal to 100% of the applicable Maximum Special Tax for Developed Property.

Second: Determine the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 1 and Proportionately levy the Special Tax on each Assessor's Parcel of Final Mapped Property in Zone 1 until the amount levied on Final Mapped Property in Zone 1 is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 1, or (ii) 100% of the Intermediate Maximum Special Tax for Final Mapped Property.

Third: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 1 after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 1 until the amount levied on Undeveloped Property in Zone 1 is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 1 less the amount levied pursuant to the second step above, or (ii) 100% of the Intermediate Maximum Special Tax for Undeveloped Property.

Fourth: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 1 after the first three steps have been completed, then the Special Tax levy on each Assessor's Parcel of Final Mapped Property and Undeveloped Property in Zone 1 shall be increased in equal percentages from the Intermediate Special Tax up to 100% of the Maximum Special Tax for Final Mapped Property and Undeveloped Property until the Final Mapped Property/Undeveloped Property Special Tax Requirement in Zone 1 is satisfied.

Fifth: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 1 after the first four steps have been completed, then if required to satisfy the Indenture, a special tax shall be levied on each Assessor's Parcel of taxable property located within the Supplemental Improvement Areas pledged to CFD No. 2013-3 (IA No. 3) Zone 1 Bonds, based on the rate and method of apportionment of special taxes for these Supplemental Improvement Areas.

Sixth: Determine the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement for Zone 1 and Proportionately levy the Special Tax on each Assessor's Parcel of Taxable Property Owner Association Property in Zone 1 until the amount levied on Taxable Property Owner Association Property in Zone 1 is

equal to the lesser of (i) the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement for Zone 1 or (ii) 100% of the Maximum Special Tax for Taxable Property Owner Association Property.

Seventh: If additional monies are needed to satisfy the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement for Zone 1 after the sixth step has been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property in Zone 1 until the amount levied on Taxable Public Property in Zone 1 is equal to the lesser of (i) the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement for Zone 1 less the amount levied pursuant to the sixth step above, or (ii) 100% of the Maximum Special Tax for Taxable Public Property.

(b) Zone 2

First: The Special Tax shall be levied on each Assessor's Parcel of Developed Property in Zone 2 in an amount equal to 100% of the applicable Maximum Special Tax for Developed Property.

Second: Determine the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 2 and Proportionately levy the Special Tax on each Assessor's Parcel of Final Mapped Property in Zone 2 until the amount levied on Final Mapped Property in Zone 2 is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 2, or (ii) 100% of the Intermediate Maximum Special Tax for Final Mapped Property.

Third: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 2 after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 2 until the amount levied on Undeveloped Property in Zone 2 is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 2 less the amount levied pursuant to the second step above, or (ii) 100% of the Intermediate Maximum Special Tax for Undeveloped Property.

Fourth: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 2 after the first three steps have been completed, then the Special Tax levy on each Assessor's Parcel of Final Mapped Property and Undeveloped Property in Zone 2 shall be increased in equal percentages from the Intermediate Special Tax up to 100% of the Maximum Special Tax for Final Mapped Property and Undeveloped Property until the Final Mapped Property/Undeveloped Property Special Tax Requirement in Zone 2 is satisfied.

Fifth: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement for Zone 2 after the first four steps have been completed, then if required to satisfy the Indenture, a special tax shall be levied on each Assessor's Parcel of taxable property located within the Supplemental Improvement

Areas pledged to CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, based on the rate and method of apportionment of special taxes for these Supplemental Improvement Areas.

Sixth: Determine the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement in Zone 2 and Proportionately levy the Special Tax on each Assessor's Parcel of Taxable Property Owner Association Property in Zone 2 until the amount levied on Taxable Property Owner Association Property in Zone 2 is equal to the lesser of (i) the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement for Zone 2 or (ii) 100% of the Maximum Special Tax for Taxable Property Owner Association Property.

Seventh: If additional monies are needed to satisfy the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement for Zone 2 after the sixth step has been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property in Zone 2 until the amount levied on Taxable Public Property in Zone 2 is equal to the lesser of (i) the Taxable Property Owner Association Property/Taxable Public Property Special Tax Requirement for Zone 2 less the amount levied pursuant to the sixth step above, or (ii) 100% of the Maximum Special Tax for Taxable Public Property.

2. Supplemental Levy

For Assessor's Parcels in Zone 1, on or around January 1 of each Fiscal Year, commencing Fiscal Year 2013-2014, if the CFD Administrator determines that there is a shortfall in revenues available to finance one-half of the annual amounts necessary to pay the Guaranteed Amount (the "Semi-Annual Shortfall"), the CFD Administrator may levy additional Special Taxes Proportionately upon each Assessor's Parcel of Final Mapped Property and Undeveloped Property in Zone 1 that are not then delinquent, or reasonably foreseen to be delinquent in the judgment of the CFD Administrator, until the amount levied is equal to the Semi-Annual Shortfall. On or around June 1 of each Fiscal Year, if the CFD Administrator determines that there is a Semi-Annual Shortfall, the CFD Administrator may levy additional Special Taxes Proportionately upon each Assessor's Parcel of Final Mapped Property and Undeveloped Property in Zone 1 that are not then delinquent, or reasonably foreseen to be delinquent in the judgment of the CFD Administrator, until the amount levied is equal to the Semi-Annual Shortfall. The supplemental levy may occur only twice each Fiscal Year, and the combined amount of the annual levy pursuant to Section E.1 and the supplemental levies pursuant to this Section E.2 on each Assessor's Parcel in Zone 1 in any Fiscal Year shall not exceed the Maximum Special Taxes identified in Section C for such Assessor's Parcel. Each Semi-Annual Shortfall shall be collected by direct billing to owners of such Assessor's Parcels, and the levy shall be due within thirty (30) days of such supplemental levy, and shall be subject to all penalties and interest in the event of delinquency.

F. EXEMPTIONS

1. Zone 1

No Special Tax shall be levied in Zone 1 of CFD No. 2013-3 (IA No. 3) on up to (i) 0 Acres of Property Owner Association Property, (ii) 5 Acres of Public Property, and (iii) 0 Acres of Church Property. No Special Tax shall be levied on Affordable Housing, Moderate Affordable Units, and Moderate Affordable Senior Units in Zone 1 provided that the number of such Dwelling Units in Zone 1 does not cause the total of such Dwelling Units within Zone 1 to exceed 0 Dwelling Units. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in Zone 1 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 in Zone 1 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 Special Tax and shall be taxed Proportionately as part of the sixth step and seventh step in Section E.1(a) above, respectively, at up to 100% of the applicable Maximum 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 Special Tax and shall be taxed Proportionately as Other Non-Residential Property in Section E above, at up to 100% of the applicable Maximum 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 Special Tax and shall be taxed Proportionately as Residential Property in Section E above, at up to 100% of the applicable Maximum 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. 3) Zone 1 Bonds and provided that the Zone 1 Special Taxes have not been pledged to the payment of Bond Costs for Other Improvement Area Bonds, if an Assessor's Parcel in Zone 1 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.

2. Zone 2

No Special Tax shall be levied in Zone 2 of CFD No. 2013-3 (IA No. 3) on up to (i) 0 Acres of Property Owner Association Property, (ii) 979 Acres of Public Property, and (iii) 0 Acres of Church Property. No Special Tax shall be levied on Affordable Housing, Moderate Affordable Units, and Moderate Affordable Senior Units in Zone 2 provided that the number of such

Dwelling Units in Zone 2 does not cause the total of such Dwelling Units within Zone 2 to exceed 0 Dwelling Units. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in Zone 2 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 in Zone 2 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 in Zone 2 that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the sixth step and seventh step in Section E.1.(b) above, respectively, at up to 100% of the applicable Maximum 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 Special Tax and shall be taxed Proportionately as Other Non-Residential Property in Section E.1.(b) above, at up to 100% of the applicable Maximum 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 Special Tax and shall be taxed Proportionately as Residential Property in Section E.1.(b) above, at up to 100% of the applicable Maximum 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. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds and provided that the Zone 2 Special Taxes have not been pledged to the payment of Bond Costs for Other Improvement Area Bonds, if an Assessor's Parcel in Zone 2 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.

G. MANNER OF COLLECTION

The 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 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, (ii) may directly bill as a result of any Semi-Annual Shortfall as set forth in Section E.2 above, and (iii) 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, no refund shall be given at that time. However, the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. 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 SPECIAL TAX

Under this Rate and Method of Apportionment, an Assessor's Parcel within CFD No. 2013-3 (IA No. 3) is permitted to prepay a portion of the Maximum Special Tax (the "Prepayable Portion of the Special Tax"). The obligation of the Assessor's Parcel to pay the Prepayable Portion of the Special Tax for Zone 1 or the Prepayable Portion of the Special Tax for Zone 2 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, 2013, 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 Special Tax for Zone 1 or Zone 2 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 in a Zone in which Special Taxes are intended to be prepaid, prepayment must be made not less than 30 days prior to a date that notice of redemption of the applicable Outstanding Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture. No portion of the Maximum Special Tax other than the Prepayable Portion of the Special Tax for Zone 1 or Zone 2 may be prepaid.

In Zone 1, only Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds may be redeemed as the result of any prepayment for Zone 1 in this Section I. Prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds, the percentages identified in Section I (in connection with the calculation of the Prepayable Portion of the Residential Property Special Tax for Zone 1 and the Prepayable Portion of the Non-Residential Property Special Tax for Zone 1) and Section J may be changed to reflect changes in development, without the need for any proceedings to make changes permitted under the Act.

In Zone 2, both Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds and Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds may be redeemed as the result of any prepayment for Zone 2 in this Section I. Prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, the percentages identified in Section I and Section J for the Prepayable Portion of the Residential Property Special Tax for Zone 2 and the Prepayable Portion of the Non-Residential Property Special Tax for Zone 2 may be changed at the discretion of the CFD Administrator, without the need for any proceedings to make changes permitted under the Act.

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

(a) Zone 1

The full Prepayment Amount for the Prepayable Portion of the Special Tax in Zone 1 shall be the Prepayment Amount identified in Section (i) below for Residential Property, and the Prepayment Amount identified in Section (ii) below for Non-Residential Property.

(i) Residential Property

As of the proposed date of prepayment, the full Prepayment Amount for Residential Property 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. 3) Zone 1 Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Special Tax being levied in the current Fiscal Year on the Assessor's Parcel in Zone 1 prepaying the Special Tax (under the assumption that the Assessor's Parcel is Developed Property).
- Step 3. Multiply the Maximum Special Tax calculated pursuant to Step 2 by 0.00% (the "Prepayable Portion of the Residential Property Special Tax for Zone 1").
- Step 4. Determine the amount of Special Tax levied in the current Fiscal Year on such Assessor's Parcel in Zone 1 which has not yet been paid and multiply this amount by 0.00%
- Step 5. The Prepayment Amount determined under this Section (a).(i) 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 Special Tax for Zone 1 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 for Zone 1; and (ii) the unpaid current Fiscal Year's Prepayable Portion of the Residential Property Special Tax for Zone 1 as determined under Step 4 (collectively, the "Prepayment Amount").

(ii) Non-Residential Property

As of the proposed date of prepayment, the full Prepayment Amount for Non-Residential Property Special Taxes in Zone 1 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. 3) Zone 1 Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds have not yet been issued, the number shall be 40.

- Step 2. Determine the Maximum Special Tax being levied in the current Fiscal Year on the Assessor's Parcel prepaying the Special Tax (under the assumption that the Assessor's Parcel is Developed Property).
- Step 3. Multiply the Maximum Special Tax calculated pursuant to Step 2 by 0.00% (the "Prepayable Portion of the Non-Residential Special Tax for Zone 1").
- Step 4. Determine the amount of Special Tax levied in the current Fiscal Year on such Assessor's Parcel which has not yet been paid and multiply this amount by 0.00%
- Step 5. The Prepayment Amount determined under this Section (a).(ii) 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 Special Tax in Zone 1 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 for Zone 1; and (ii) the unpaid current Fiscal Year's Prepayable Portion of the Non-Residential Special Tax for Zone 1 as determined under Step 4 (collectively, the "Prepayment Amount").

(b) Zone 2

The full Prepayment Amount for the Prepayable Portion of the Special Tax in Zone 2 shall be the Prepayment Amount identified in Section (i) below for Residential Property, and the Prepayment Amount identified in Section (ii) below for Non-Residential Property.

(i) Residential Property

As of the proposed date of prepayment, the full Prepayment Amount for Residential Property 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 Outstanding CFD No. 2013-3 (IA No. 3) Zone 2 Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Special Tax being levied in the current Fiscal Year on the Assessor's Parcel in Zone 2 prepaying the Special Tax (under the assumption that the Assessor's Parcel is Developed Property).
- Step 3. Multiply the Maximum Special Tax calculated pursuant to Step 2 by 100.00% (the "Prepayable Portion of the Residential Property Special Tax for Zone 2").
- Step 4. Determine the amount of Special Tax levied in the current Fiscal Year on such Assessor's Parcel in Zone 2 which has not yet been paid and multiply this amount by 100.00%
- Step 5. The Prepayment Amount determined under this Section (b).(i) 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 Special Tax in Zone 2 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 for Zone 2; and (ii) the unpaid current Fiscal Year's Prepayable Portion of the

Residential Property Special Tax for Zone 2 as determined under Step 4 (collectively, the “Prepayment Amount”).

(ii) Non-Residential Property

As of the proposed date of prepayment, the full Prepayment Amount for Non-Residential Property Special Taxes in Zone 2 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 Outstanding CFD No. 2013-3 (IA No. 3) Zone 2 Bonds was sold occurs, not including the current Fiscal Year. If Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds have not yet been issued, the number shall be 40.
- Step 2. Determine the Maximum Special Tax being levied in the current Fiscal Year on the Assessor’s Parcel prepaying the Special Tax (under the assumption that the Assessor’s Parcel is Developed Property).
- Step 3. Multiply the Maximum Special Tax calculated pursuant to Step 2 by 100% (the “Prepayable Portion of the Non-Residential Special Tax for Zone 2”).
- Step 4. Determine the amount of Special Tax levied in the current Fiscal Year on such Assessor’s Parcel which has not yet been paid and multiply this amount by 100%
- Step 5. The Prepayment Amount determined under this Section (b).(ii) 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 Special Tax for Zone 2 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 for Zone 2; and (ii) the unpaid current Fiscal Year’s Prepayable Portion of the Non-Residential Special Tax for Zone 2 as determined under Step 4, (collectively, the “Prepayment Amount”).

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

(a) Zone 1

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 Special Tax for Zone 1
- PE = the Prepayment Amount of the Prepayable Portion of the Special Tax for Zone 1 calculated according to Section I.(a).(i) (for Residential Property) or Section I.(a).(ii) (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 Special Tax for Zone 1.

(a) Zone 2

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 Special Tax for Zone 2
PE = the Prepayment Amount of the Prepayable Portion of the Special Tax for Zone 2 calculated according to Section I.(b).(i) (for Residential Property) or Section I.(b).(ii) (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 Special Tax for Zone 2.

3. General Provisions Applicable to Prepayment

(a) Zone 1

(i) Use of Prepayments

Subsequent to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds, the Prepayment Amount of the Prepayable Portion of the Special Tax for Zone 1 shall be applied in the following order of priority: (i) to be deposited into specific funds established under the Indenture for Outstanding Zone 1 Bonds, to fully or partially retire as many Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds as possible (or as many Other Improvement Area Bonds as possible, if the Special Taxes in Zone 1 secure Other Improvement Area Bonds), and, if amounts are less than \$5,000, to make debt service payments on the Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds (or Other Improvement Area Bonds if the Special Taxes for Zone 1 secure Other Improvement Area 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 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. 3) Zone 1 Bonds, the Prepayment Amount of the Prepayable Portion of the Special Tax for Zone 1 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 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 Special Tax for Zone 1, the CFD Administrator shall remove the current Fiscal Year's Prepayable Portion of the 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. 3) that there has been a prepayment of the Prepayable Portion of the Special Tax and that a portion of the Maximum Special Tax with respect to such Assessor's Parcel, equal to 100.00% of the Maximum Special Tax for Residential Property and 100.00% of the Maximum 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 Special Tax, the CFD Administrator shall remove a portion of the current Fiscal Year's Prepayable Portion of the 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. 3) that there has been a partial prepayment of the Prepayable Portion of the Special Tax and that a portion of the Maximum Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage $[1.00 - (0.00 \times F)]$ multiplied by the Maximum Special Tax for Residential Property and $[1.00 - (0.00 \times F)]$ multiplied by the Maximum 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 Special Tax in Zone 1 shall be allowed unless, at the time of such proposed prepayment, the Special Tax that may be levied on Taxable Property within Zone 1 of CFD No. 2013-3 (IA No. 3) in all Fiscal Years (after excluding Exempt Property in Zone 1 CFD No. 2013-3 (IA No. 3) as set forth in Section F), both prior to and after the proposed prepayment, is at least equal to the Debt Service Coverage for Zone 1 Bonds times the debt service necessary to support the remaining Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 Bonds.

(a) Zone 2

(i) Use of Prepayments

Subsequent to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, the Prepayment Amount of the Prepayable Portion of the Special Tax for Zone 2 shall be applied in the following order of priority: (i) to be deposited into specific funds established under the Indenture for Outstanding Zone 2 Bonds, to fully or partially retire as many Outstanding CFD No. 2013-3 (IA No. 3) Zone 2 Bonds as possible (or as many Other Improvement Area Bonds as possible, if the Special Taxes in Zone 2 secure Other Improvement Area Bonds), and, if amounts are less than \$5,000, to make debt service payments on the Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds (or Other

Improvement Area Bonds if the Special Taxes for Zone 2 secure Other Improvement Area Bonds), (ii) to finance facilities and services eligible for funding under the CFD No. 2013-3 (IA No. 3) Resolution of Intention.

(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 Special Tax for Zone 2, the CFD Administrator shall remove the current Fiscal Year's Prepayable Portion of the 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. 3) that there has been a prepayment of the Prepayable Portion of the Special Tax and that a portion of the Maximum Special Tax with respect to such Assessor's Parcel, equal to 0.00% of the Maximum Special Tax for Residential Property and 0.00% of the Maximum 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 Special Tax, the CFD Administrator shall remove a portion of the current Fiscal Year's Prepayable Portion of the 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. 3) that there has been a partial prepayment of the Prepayable Portion of the Special Tax and that a portion of the Maximum Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage $[1 - (1.00 \times F)]$ multiplied by the Maximum Special Tax for Residential Property and $[1 - (1.00 \times F)]$ multiplied by the Maximum 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 Special Tax in Zone 2 shall be allowed unless, at the time of such proposed prepayment, the Special Tax that may be levied on Taxable Property within Zone 2 of CFD No. 2013-3 (IA No. 3) in all Fiscal Years (after excluding 0 Acres of Property Owner Association Property, 979 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 Zone 2 of CFD No. 2013-3 (IA No. 3) as set forth in Section F), both prior to and after the proposed prepayment, is at least equal to the Debt Service Coverage for Zone 2 Bonds times the debt service necessary to support the remaining Outstanding Zone 2 Bonds.

J. TERM OF SPECIAL TAX

For Zone 1, 0% of the Maximum Special Tax on Residential Property and 0% of the Maximum 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. 3) Zone 1 Bonds were sold or (ii) Fiscal Year 2052-2053. In Zone 1, prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 1 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.

For Zone 2, 100% of the Maximum Special Tax on Residential Property and 100% of the Maximum 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. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds were sold or (ii) Fiscal Year 2052-2053. In Zone 2, prior to the issuance of the first series of Non-Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds or Subordinate CFD No. 2013-3 (IA No. 3) Zone 2 Bonds, the termination percentages listed immediately above may be changed at the discretion of the CFD Administrator, without the need for any proceedings to make changes permitted under the Act. For both Zone 1 and Zone 2, the remaining portion of the Special Tax for both Residential Property and Non-Residential Property shall be levied into perpetuity.

K. NO EXTENSION OR MODIFICATION OF AMENDED AND RESTATED DEVELOPMENT AGREEMENT; LIMITED WAIVER AND RELEASE OF RIGHTS

Notwithstanding any reference to the Amended and Restated Development Agreement, nothing herein shall incorporate the Amended and Restated Development Agreement into the Rate and Method of Apportionment, extend the term of the Amended and Restated Development Agreement, and/or amend or modify the provisions thereof. Notwithstanding the foregoing, Heritage Fields El Toro, LLC waives and releases, on its own behalf and on behalf of its successors and assigns, any right it may have, under this Rate and Method of Apportionment, the Amended and Restated Development Agreement, or otherwise, to challenge the imposition and/or collection of taxes on property in Zone 2 in a manner consistent with that set forth in this Rate and Method of Apportionment. Such waiver and release is limited to the matters specifically set forth in the foregoing waiver and release, and shall not extend to any other rights Heritage Fields El Toro, LLC may have under the Amended and Restated Development Agreement, including the land use restrictions on City Property (as defined in the Amended and Restated Development Agreement).

EXHIBIT A

CERTIFICATE TO AMEND SPECIAL TAX

CITY OF IRVINE AND CFD No. 2013-3 (IA No. 3) 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. 3)") hereby reduce some or all of the Maximum Special Taxes for Residential Property or the Special Taxes for Non-Residential Property set forth in Tables _____ of the Rate and Method of Apportionment for CFD No. 2013-3 (IA No. 3).

The information in Table _____ relating to the Fiscal Year 2013-2014 Maximum Special Tax for Developed Property within CFD No. 2013-3 (IA No. 3) 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

Land Use Class	Description	Maximum Special Tax
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
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	\$[_____] 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. 3), the City shall cause an amended notice of special tax lien for CFD No. 2013-3 (IA No. 3) 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. 3), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CITY OF IRVINE

By: _____
CFD Administrator

Date: _____

CITY OF IRVINE COMMUNITY FACILITIES DISTRICT NO. 2013-3

By: _____

Date: _____

EXHIBIT B

ANNUAL AMOUNTS FOR CFD No. 2013-3

Fiscal Year	Amount
2013-2014	\$4,000,000
2014-2015	\$5,000,000
2015-2016	\$9,500,000
Each Fiscal Year Thereafter, Commencing in Fiscal Year 2016-2017	Increase Amount in Prior Fiscal Year by 3%.

EXHIBIT C

CFD NO. 2013-3 BOUNDARY MAP INCLUDING FUTURE ANNEXATION AREA

SHEET 1 OF 3

PROPOSED BOUNDARIES OF
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT No. 2013-3
(Great Park)
COUNTY OF ORANGE
STATE OF CALIFORNIA

Assessor Parcels within
FUTURE ANNEXATION AREA

- 591-071-05
- 580-082-22
- 580-081-52
- 580-082-32
- 580-082-33
- 580-082-40
- 580-082-41
- 580-082-42
- 580-084-08
- 591-073-18
- 591-082-08
- 591-131-17
- 591-131-25
- 591-132-04
- 591-133-20
- 591-133-21
- 591-133-26
- 591-133-29
- 591-133-32

(1) Filed in the office of the City Clerk of the City of Irvine this 12th day of February, 2013.

Sharie Apodaca
Sharie Apodaca, City Clerk of the City of Irvine

(2) I hereby certify that the within map showing the proposed boundaries of City of Irvine Community Facilities District No. 2013-3 (Great Park), Orange County, State of California, was approved by the City Council of the City of Irvine at a ~~special~~^{regular} meeting thereof, held on this 12 day of February, 2013, by its Resolution No. 13-16.

Sharie Apodaca
Sharie Apodaca, City Clerk of the City of Irvine

Reference is hereby made to the Assessor maps of the County of Orange for a description of the lines and dimensions of each lot and parcel.

(3) Filed this 25 day of February, 2013, at the hour of 11:03 o'clock am, in Book 97 of Maps of Assessment and Community Facilities Districts at page 34-36 m/m and as Instrument No. 2013000113331 in the office of the County Recorder of the County of Orange, State of California.

Renee Ramirez
Assistant County Clerk-Recorder of County of Orange

By Leticia Siller
Deputy

Fee Exempt
Exempt recording requested, per
CA Government Code §6103

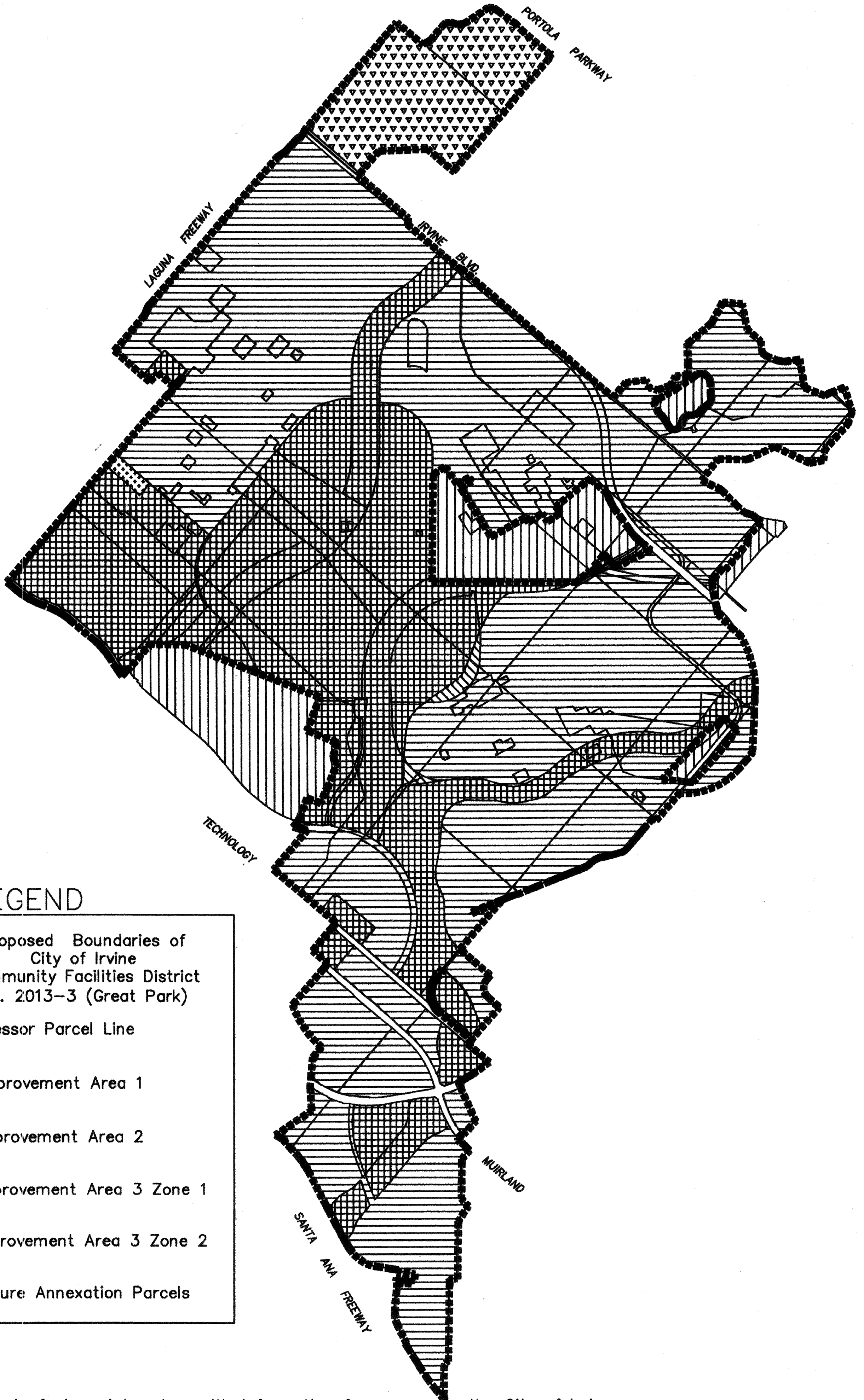
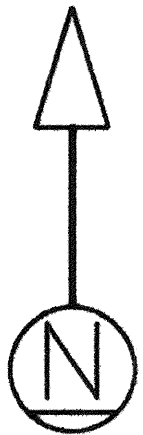
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**PROPOSED BOUNDARIES OF
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT No. 2013-3
(Great Park)
COUNTY OF ORANGE
STATE OF CALIFORNIA**

Assessor Parcels within
City of Irvine
Community Facilities District No. 2013-3
(Great Park):

IMPROVEMENT AREA 1	IMPROVEMENT AREA 2	IMPROVEMENT AREA 2	IMPROVEMENT AREA 3
580-083-03	(continued)	(continued)	ZONE 2
580-083-04	580-082-64	591-133-10	(continued)
	580-082-66	591-133-14	580-082-55
IMPROVEMENT AREA 2	580-082-67	591-133-22	580-082-59
580-081-09	580-083-01	591-133-23	580-082-62
580-081-12	580-084-05	591-133-24	580-082-63
580-081-13	580-084-07	591-133-25	580-082-65
580-081-21	580-084-09	591-133-28	590-171-01
580-081-22	580-084-10	591-133-30	590-171-04
580-081-23	580-084-11		590-174-04
580-081-29	580-084-12	IMPROVEMENT AREA 3	590-174-05
580-081-36	580-084-13	ZONE 1	590-174-06
580-081-37	580-084-14	580-081-86	591-071-03
580-081-39	590-171-02		591-071-08
580-081-54	590-171-03	IMPROVEMENT AREA 3	591-071-09
580-081-57	590-172-01	ZONE 2	591-073-16
580-081-74	590-173-01	580-081-03	591-131-01
580-081-75	590-173-02	580-081-04	591-131-04
580-081-77	590-174-01	580-081-05	591-131-15
580-081-78	590-174-02	580-081-06	591-131-16
580-081-80	590-174-03	580-081-07	591-131-20
580-081-82	591-071-10	580-081-15	591-131-21
580-081-85	591-071-11	580-081-16	591-131-22
580-081-87	591-071-12	580-081-18	591-131-29
580-082-04	591-073-15	580-081-19	591-131-30
580-082-05	591-073-17	580-081-20	591-131-33
580-082-07	591-082-09	580-081-25	591-131-36
580-082-08	591-131-02	580-081-26	591-131-41
580-082-09	591-131-03	580-081-27	
580-082-10	591-131-07	580-081-32	
580-082-11	591-131-08	580-081-33	
580-082-12	591-131-09	580-081-38	
580-082-17	591-131-10	580-081-55	
580-082-18	591-131-11	580-081-56	
580-082-19	591-131-12	580-081-58	
580-082-20	591-131-13	580-081-59	
580-082-21	591-131-14	580-081-60	
580-082-25	591-131-18	580-081-61	
580-082-26	591-131-19	580-081-62	
580-082-27	591-131-23	580-081-63	
580-082-34	591-131-26	580-081-64	
580-082-35	591-131-27	580-081-65	
580-082-36	591-131-32	580-081-66	
580-082-37	591-131-34	580-081-67	
580-082-38	591-131-35	580-081-68	
580-082-39	591-131-37	580-081-76	
580-082-45	591-131-38	580-081-79	
580-082-46	591-131-39	580-081-83	
580-082-47	591-131-40	580-081-84	
580-082-48	591-132-01	580-082-13	
580-082-49	591-132-02	580-082-15	
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580-082-51	591-133-01	580-082-23	
580-082-52	591-133-02	580-082-24	
580-082-53	591-133-05	580-082-28	
580-082-54	591-133-06	580-082-31	
580-082-60	591-133-08	580-082-43	
580-082-61	591-133-09	580-082-44	

PROPOSED BOUNDARIES OF
 CITY OF IRVINE
 COMMUNITY FACILITIES DISTRICT No. 2013-3
 (Great Park)
 COUNTY OF ORANGE
 STATE OF CALIFORNIA



LEGEND

	Proposed Boundaries of City of Irvine Community Facilities District No. 2013-3 (Great Park)
	Assessor Parcel Line
	Improvement Area 1
	Improvement Area 2
	Improvement Area 3 Zone 1
	Improvement Area 3 Zone 2
	Future Annexation Parcels

ATTACHMENT B

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

BOUNDARY MAP

SHEET 1 OF 3

PROPOSED BOUNDARIES OF
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT No. 2013-3
(Great Park)
COUNTY OF ORANGE
STATE OF CALIFORNIA

Assessor Parcels within
FUTURE ANNEXATION AREA

- 591-071-05
- 580-082-22
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- 580-082-32
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By Leticia Siller
Deputy

Fee Exempt
Exempt recording requested, per
CA Government Code §6103

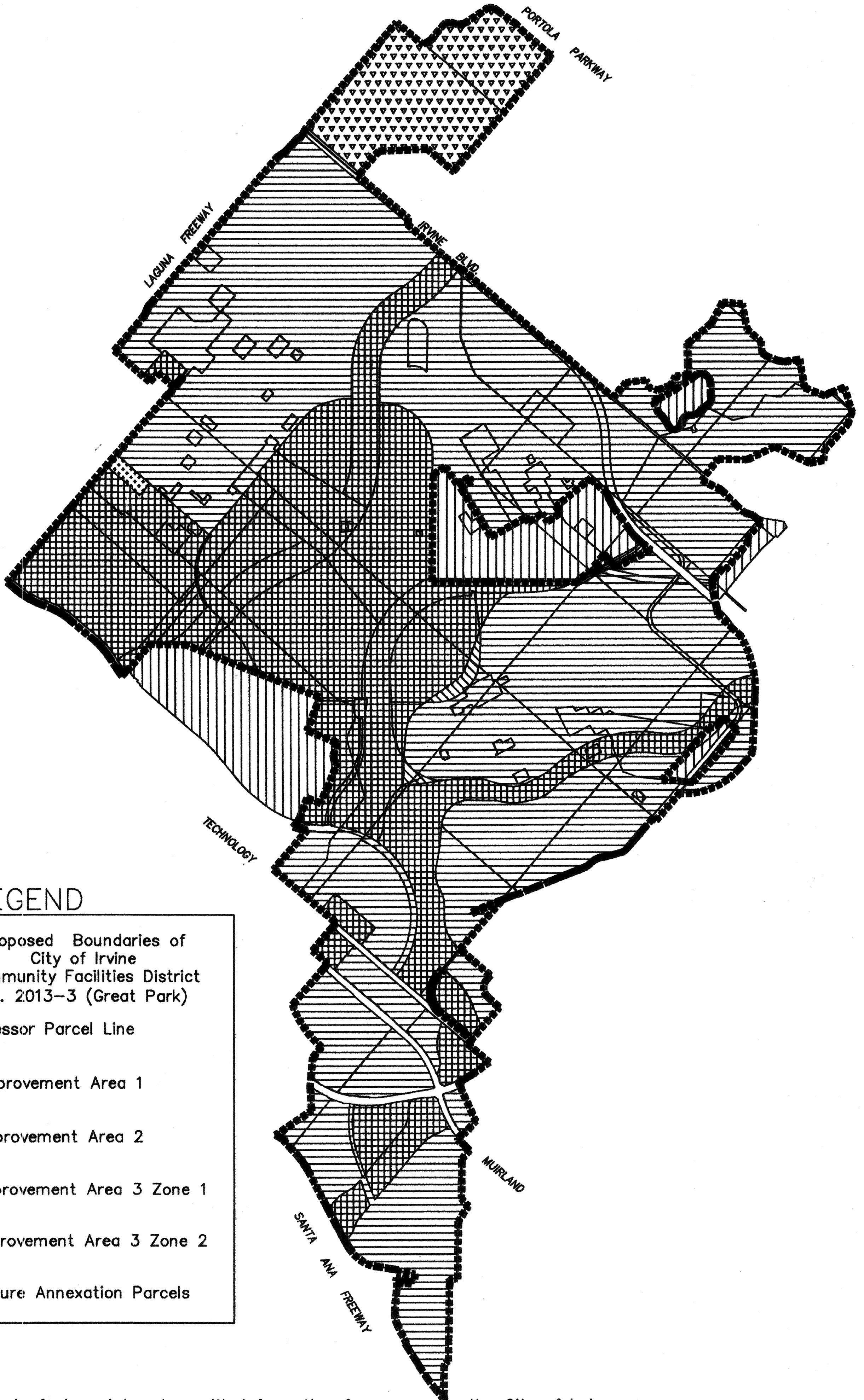
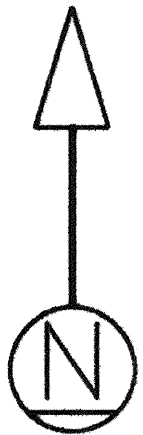
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**PROPOSED BOUNDARIES OF
CITY OF IRVINE
COMMUNITY FACILITIES DISTRICT No. 2013-3
(Great Park)
COUNTY OF ORANGE
STATE OF CALIFORNIA**

Assessor Parcels within
City of Irvine
Community Facilities District No. 2013-3
(Great Park):

IMPROVEMENT AREA 1 580-083-03 580-083-04	IMPROVEMENT AREA 2 (continued) 580-082-64 580-082-66 580-082-67 580-083-01 580-084-05 580-084-07 580-084-09 580-084-10 580-084-11 580-084-12 580-084-13 580-084-14 590-171-02 590-171-03 590-172-01 590-173-01 590-173-02 590-174-01 590-174-02 590-174-03 591-071-10 591-071-11 591-071-12 591-073-15 591-073-17 591-082-09 591-131-02 591-131-03 591-131-07 591-131-08 591-131-09 591-131-10 591-131-11 591-131-12 591-131-13 591-131-14 591-131-18 591-131-19 591-131-23 591-131-26 591-131-27 591-131-32 591-131-34 591-131-35 591-131-37 591-131-38 591-131-39 591-131-40 591-132-01 591-132-02 591-132-03 591-133-01 591-133-02 591-133-05 591-133-06 591-133-08 591-133-09	IMPROVEMENT AREA 2 (continued) 591-133-10 591-133-14 591-133-22 591-133-23 591-133-24 591-133-25 591-133-28 591-133-30	IMPROVEMENT AREA 3 ZONE 2 (continued) 580-082-55 580-082-59 580-082-62 580-082-63 580-082-65 590-171-01 590-171-04 590-174-04 590-174-05 590-174-06 591-071-03 591-071-08 591-071-09 591-073-16 591-131-01 591-131-04 591-131-15 591-131-16 591-131-20 591-131-21 591-131-22 591-131-29 591-131-30 591-131-33 591-131-36 591-131-41
IMPROVEMENT AREA 2 580-081-09 580-081-12 580-081-13 580-081-21 580-081-22 580-081-23 580-081-29 580-081-36 580-081-37 580-081-39 580-081-54 580-081-57 580-081-74 580-081-75 580-081-77 580-081-78 580-081-80 580-081-82 580-081-85 580-081-87 580-082-04 580-082-05 580-082-07 580-082-08 580-082-09 580-082-10 580-082-11 580-082-12 580-082-17 580-082-18 580-082-19 580-082-20 580-082-21 580-082-25 580-082-26 580-082-27 580-082-34 580-082-35 580-082-36 580-082-37 580-082-38 580-082-39 580-082-45 580-082-46 580-082-47 580-082-48 580-082-49 580-082-50 580-082-51 580-082-52 580-082-53 580-082-54 580-082-60 580-082-61	IMPROVEMENT AREA 3 ZONE 1 580-081-86	IMPROVEMENT AREA 3 ZONE 2 580-081-03 580-081-04 580-081-05 580-081-06 580-081-07 580-081-15 580-081-16 580-081-18 580-081-19 580-081-20 580-081-25 580-081-26 580-081-27 580-081-32 580-081-33 580-081-38 580-081-55 580-081-56 580-081-58 580-081-59 580-081-60 580-081-62 580-081-63 580-081-64 580-081-65 580-081-66 580-081-67 580-081-68 580-081-76 580-081-79 580-081-83 580-081-84 580-082-13 580-082-15 580-082-16 580-082-23 580-082-24 580-082-28 580-082-31 580-082-43 580-082-44	

PROPOSED BOUNDARIES OF
 CITY OF IRVINE
 COMMUNITY FACILITIES DISTRICT No. 2013-3
 (Great Park)
 COUNTY OF ORANGE
 STATE OF CALIFORNIA



LEGEND

	Proposed Boundaries of City of Irvine Community Facilities District No. 2013-3 (Great Park)
	Assessor Parcel Line
	Improvement Area 1
	Improvement Area 2
	Improvement Area 3 Zone 1
	Improvement Area 3 Zone 2
	Future Annexation Parcels

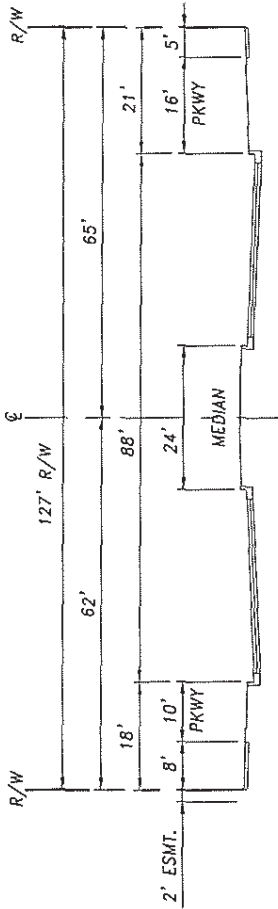
ATTACHMENT C

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

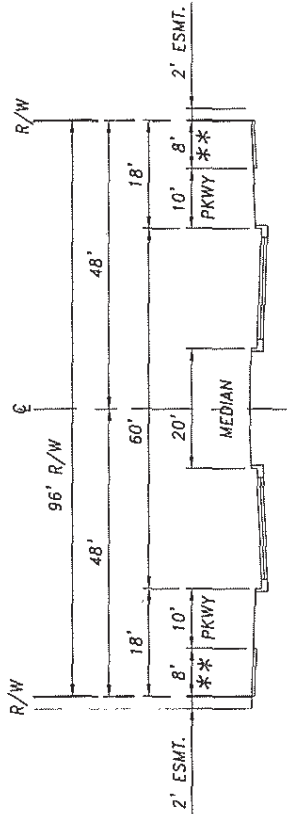
LIST OF FACILITIES

*HERITAGE FIELDS / ORANGE COUNTY GREAT PARK
GROUP A AND GROUP B FACILITIES CROSS SECTIONS*

JULY 2009

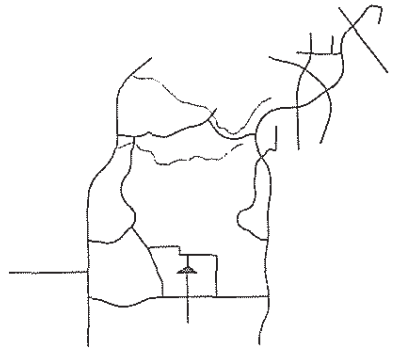
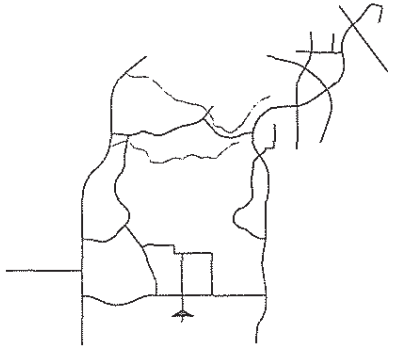


TRABUCO ROAD



TRABUCO ROAD

** TRAIL TRANSITIONS FROM PARKWAY ADJACENT TO CURB
ADJACENT AS REQUIRED TO PRESERVE EXISTING TREES



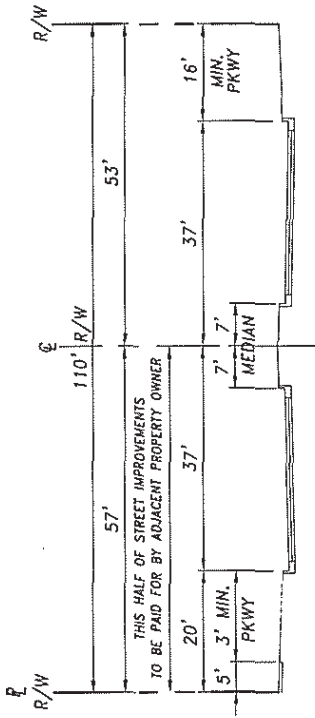
PREPARED FOR
Great Park
NEIGHBORHOODS

BACKBONE STREETS
TRABUCO ROAD

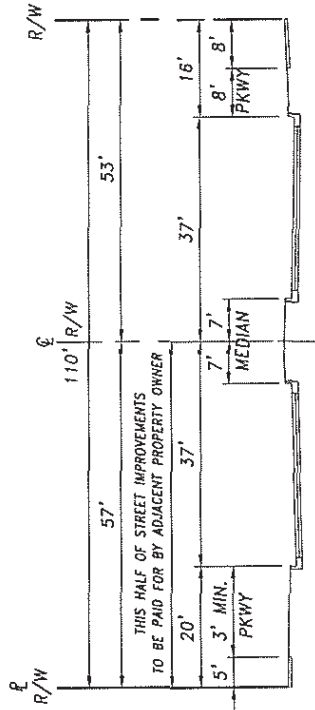
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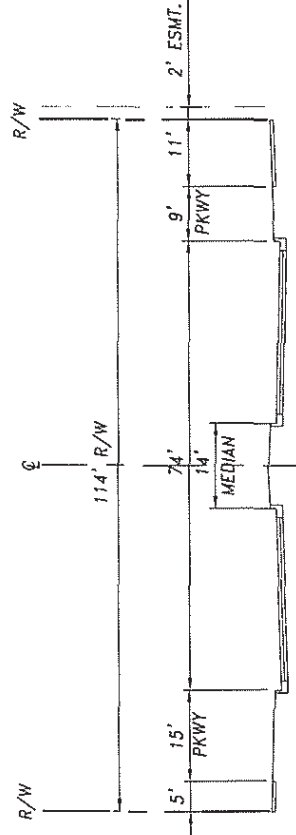
HUNSAKER & ASSOCIATES
I R V I N E , C A
P L A N N I N G , E N G I N E E R I N G , S U R V E Y I N G
Three Hagler • Irvine, CA 92618 • Tel (949) 360-6666 • Fax (949) 360-6279



"O" STREET



"O" STREET



"O" STREET

BACKBONE STREETS

"O" STREET

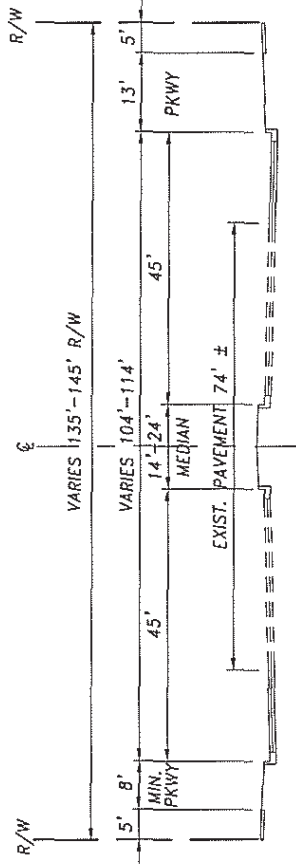
PREPARED FOR

Great Park
NEIGHBORHOODS

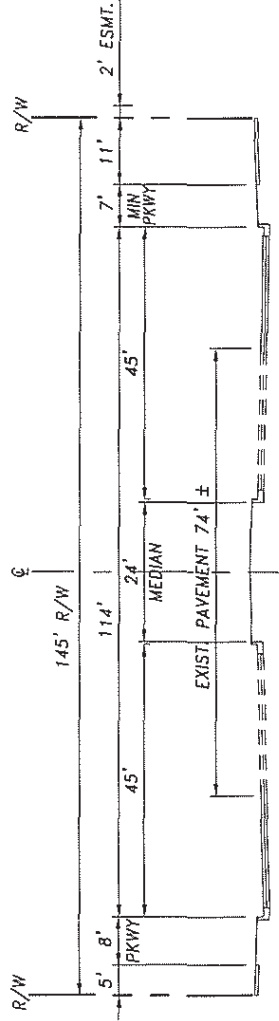
HORIZONTAL SCALE: 1" = 30'

APP. DATE	03/27/09
DATE	03/27/09
BY	D.V.
CHECKED	D.V.
DATE	03/27/09

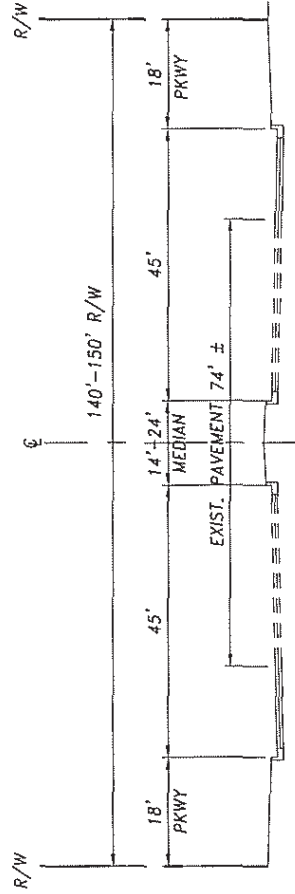
HUNSAKER & ASSOCIATES
 I N C .
 P L A N N I N G • E N G I N E E R I N G • S U R V E Y I N G
 Three Palms • Irvine, CA 92618 • TEL 949 261-9999 • FAX 949 261-0277



IRVINE BOULEVARD



IRVINE BOULEVARD



IRVINE BOULEVARD

PREPARED FOR
Great Park
NEIGHBORHOODS

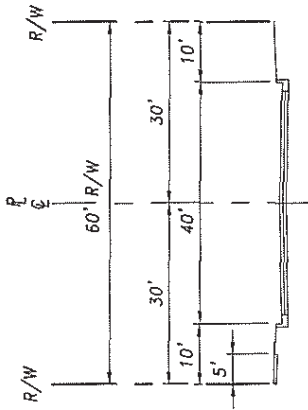
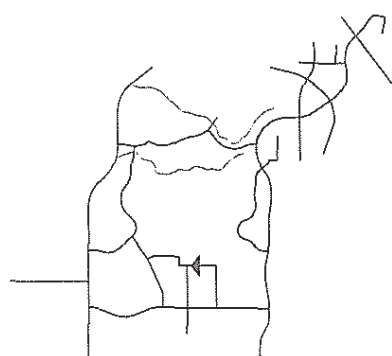
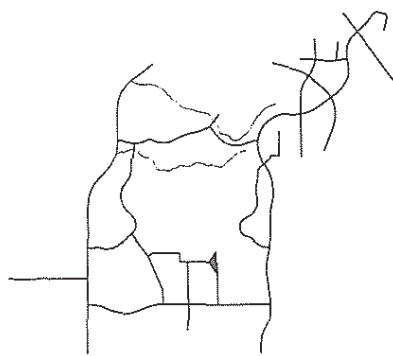
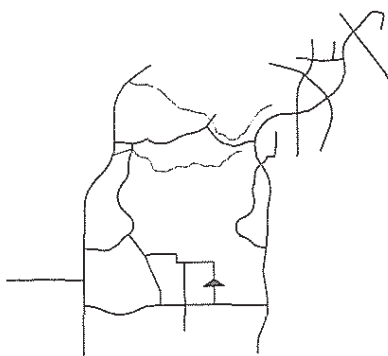
BACKBONE STREETS
IRVINE BLVD.

HORIZONTAL SCALE: 1" = 30'

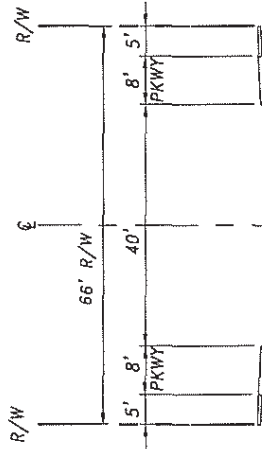
MAP DATE	03/27/08
DATE	03/27/08
BY	03/27/08

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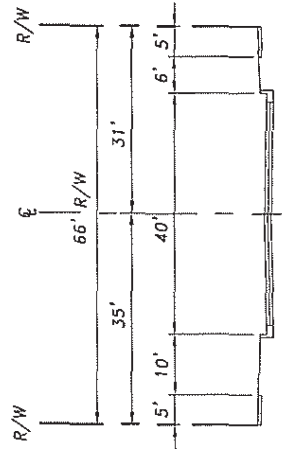
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"LV" STREET



"Y" STREET



"Y" STREET

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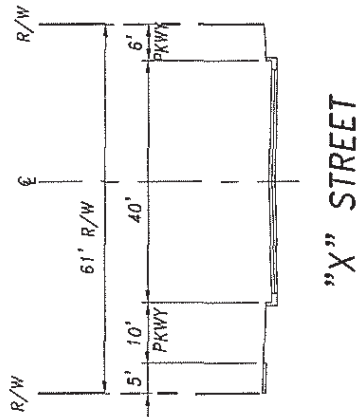
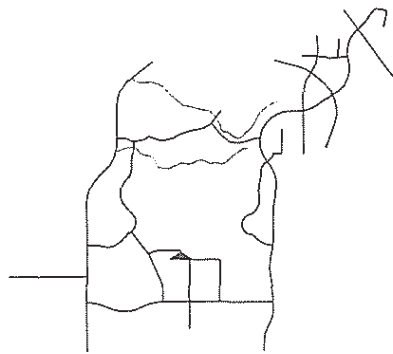
BACKBONE STREETS

"LV" STREET &
"Y" STREET

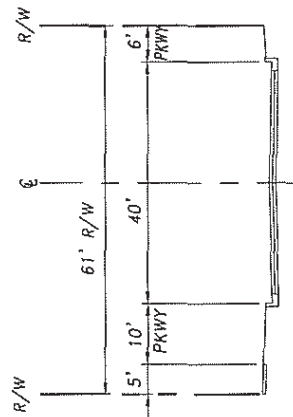
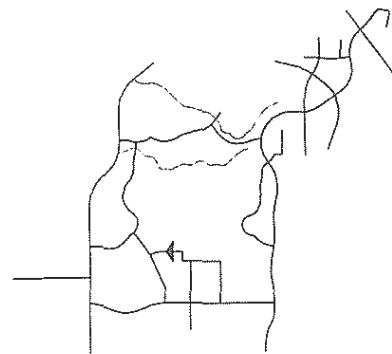
HORIZONTAL SCALE: 1" = 30'



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"X" STREET



"T" STREET

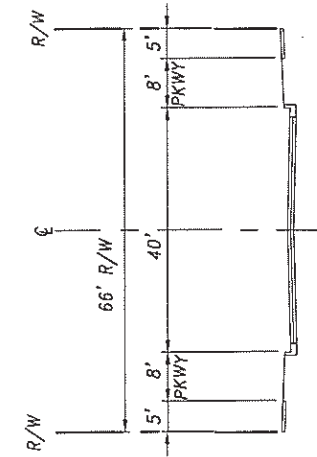
HUNSAKER & ASSOCIATES
 I N C .
 P L A N N I N G • E N G I N E E R I N G • S U R V E Y I N G
 11000 Wilshire Blvd., Suite 1000 • Los Angeles, CA 90024 • PH (310) 206-1000 • FX (310) 206-1001

MAP DATE CENTER
 03/23/09 BY D.A.
 03/23/09

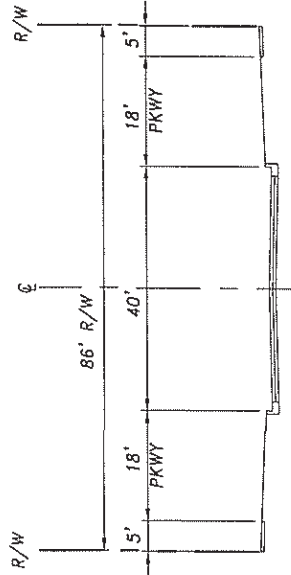
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BACKBONE STREETS
 "X" STREET &
 "T" STREET

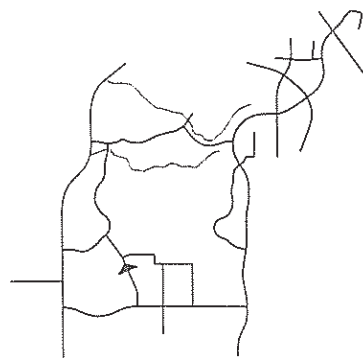
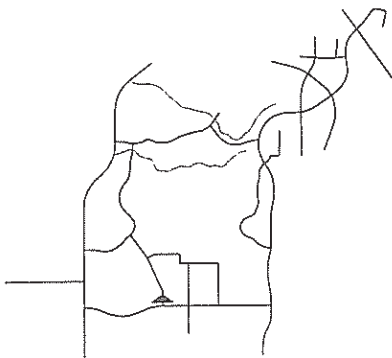
PREPARED FOR
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"LQ" STREET



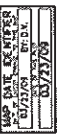
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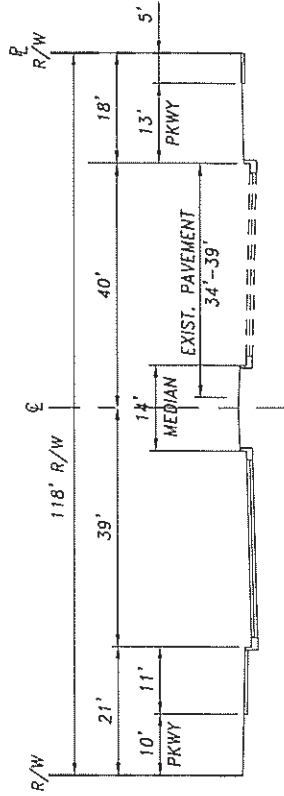
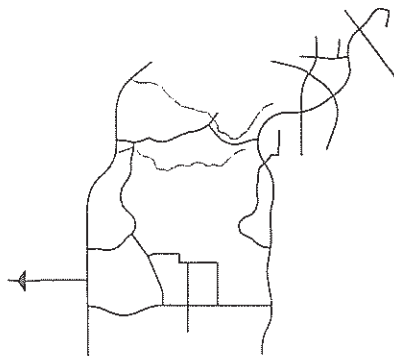
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BACKBONE STREETS
"LQ" STREET

HORIZONTAL SCALE: 1" = 30'



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RIDGE VALLEY

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 13001 • Irvine, CA 92618 • Tel: (949) 263-5095 • Fax: (949) 263-5278

MAP DATE ENTERED
 6/15/09
 0372709

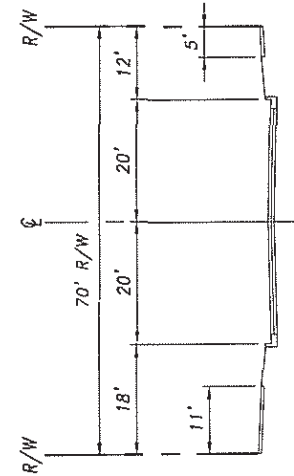
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BACKBONE STREETS

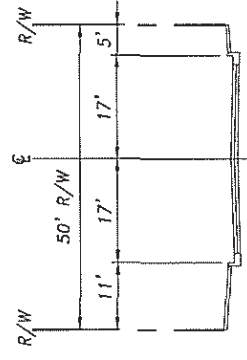
RIDGE VALLEY

PREPARED FOR

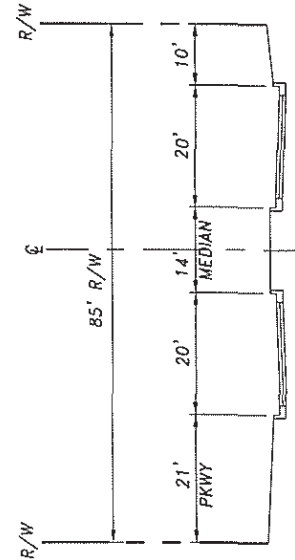
Great Park
 NEIGHBORHOODS



"Q" STREET
(APPROVED ON AMENDED VTTM 17008 AS "T" ST.)



"Q" STREET
(APPROVED ON AMENDED VTTM 17008 AS "T" ST.)



"A" STREET

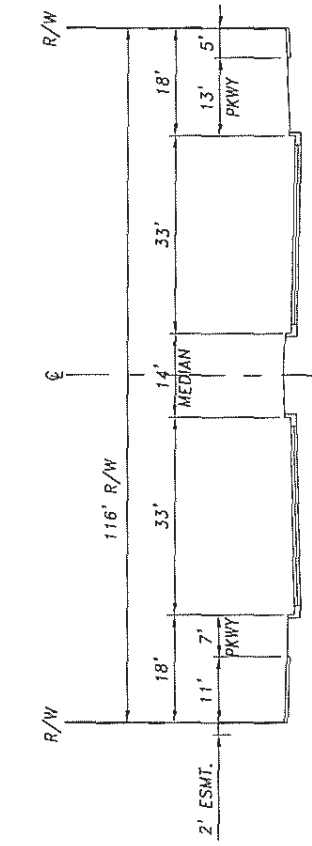
PREPARED FOR
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NEIGHBORHOODS

BACKBONE STREETS
**"Q" STREET &
"A" STREET**

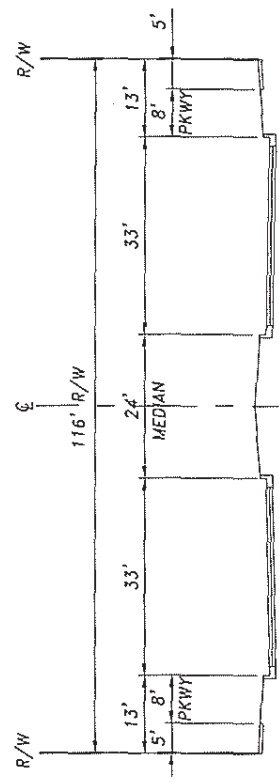
HORIZONTAL SCALE: 1" = 30'



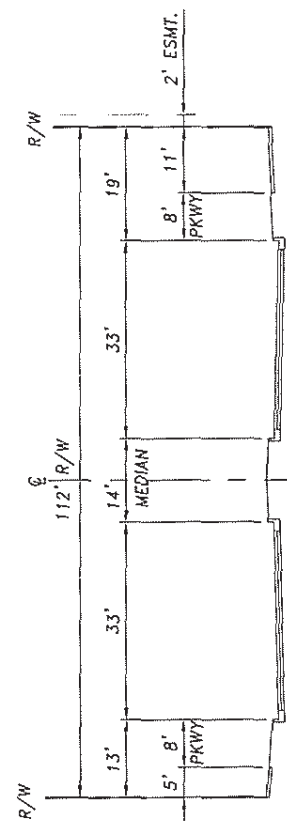
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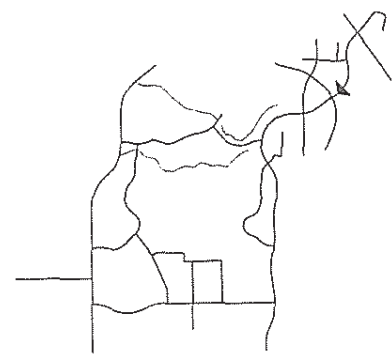
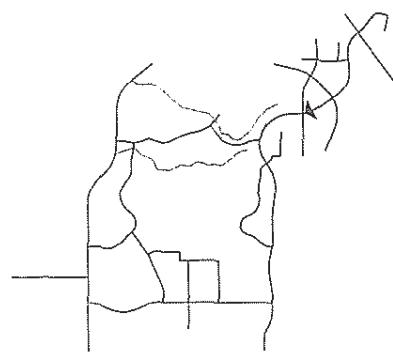
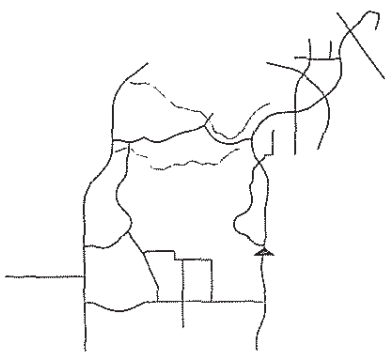
MARINE WAY



MARINE WAY



MARINE WAY



BACKBONE STREETS

MARINE WAY

PREPARED FOR

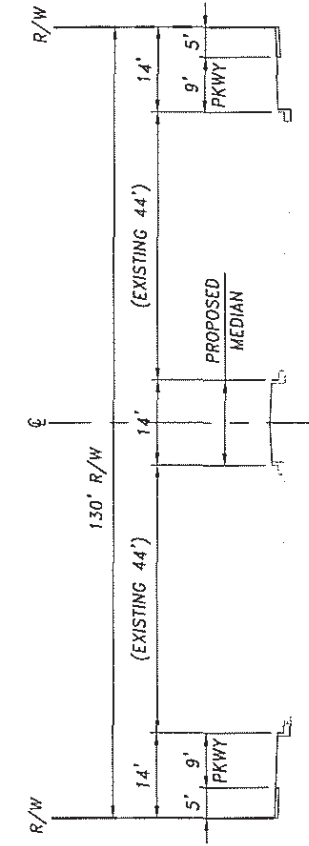
Great Park NEIGHBORHOODS



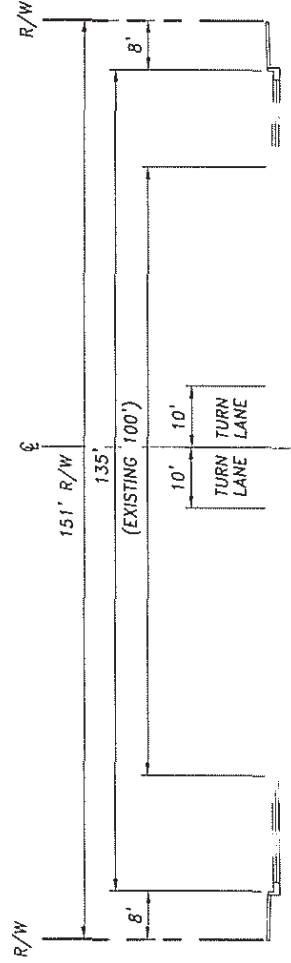
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HORIZONTAL SCALE: 1" = 30'

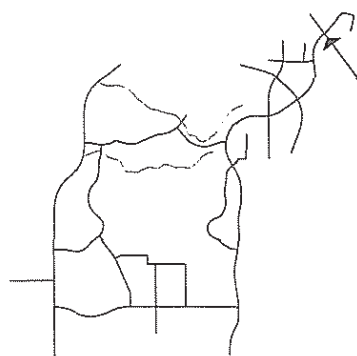
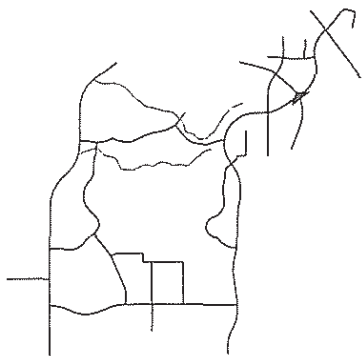
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ALTON PARKWAY



BAKE PARKWAY



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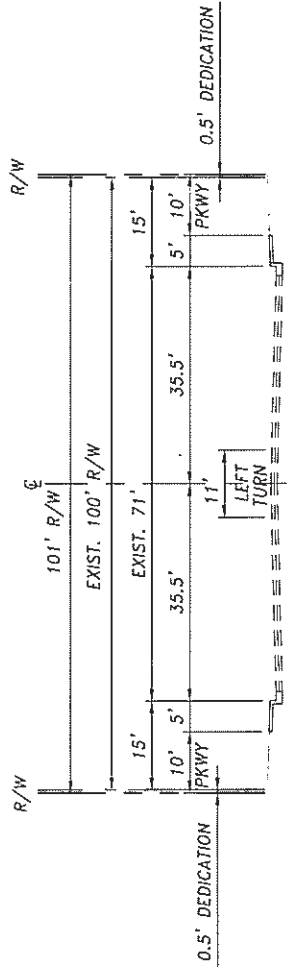
BACKBONE STREETS

ALTON &
BAKE PARKWAY

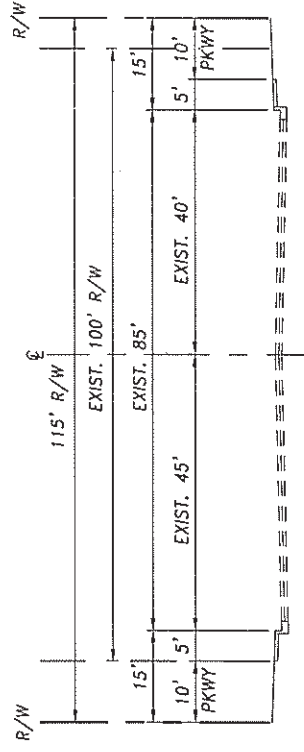
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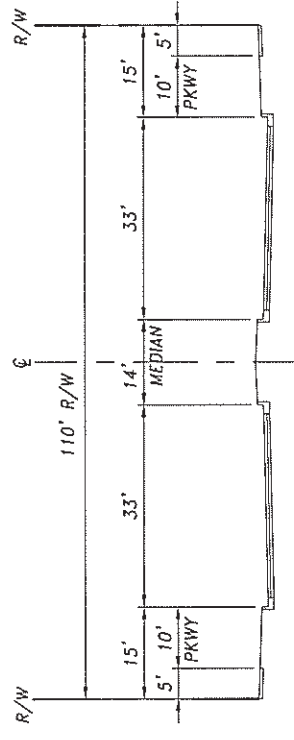
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MUIRLANDS BOULEVARD



MUIRLANDS BOULEVARD



BARRANCA PARKWAY

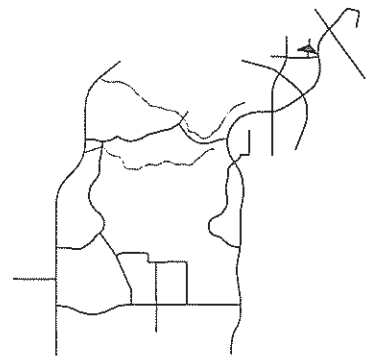
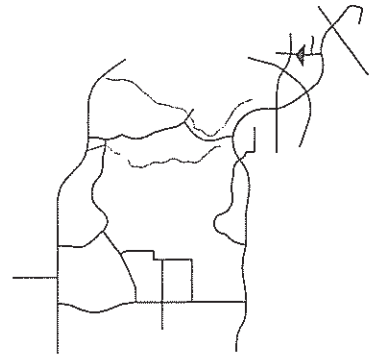
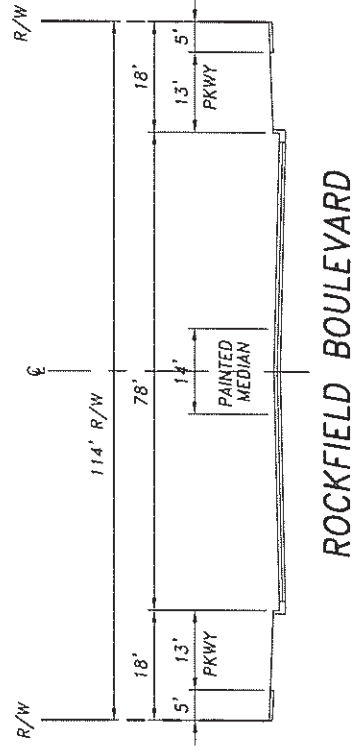
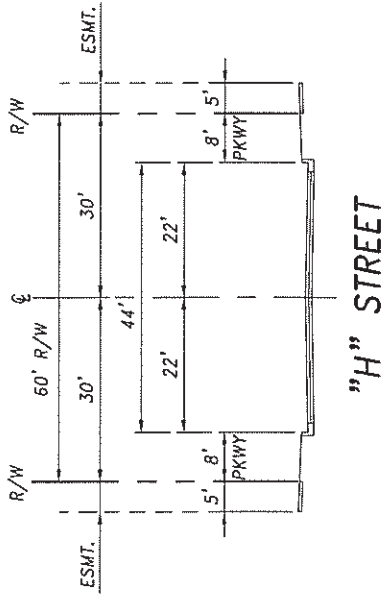
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BACKBONE STREETS
**MUIRLANDS &
 BARRANCA**

HORIZONTAL SCALE: 1" = 30'



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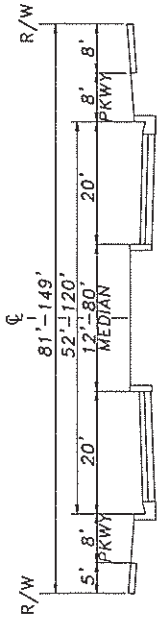
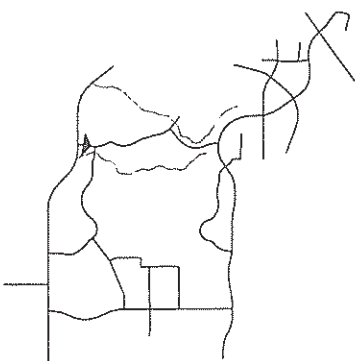
BACKBONE STREETS
"H" STREET &
ROCKFIELD

MAP DATE: 03/23/09
DATE PLOTTED: 03/23/09

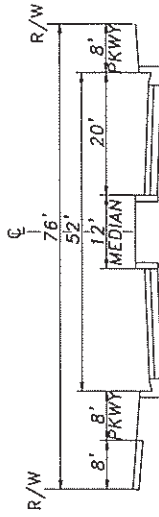
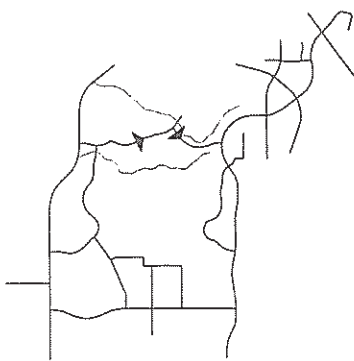
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DANA POINT, CA 92629 • TEL: (949) 335-9700 • FAX: (949) 334-6293

HORIZONTAL SCALE: 1" = 30'

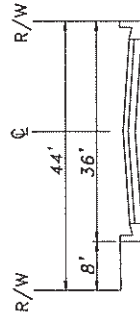
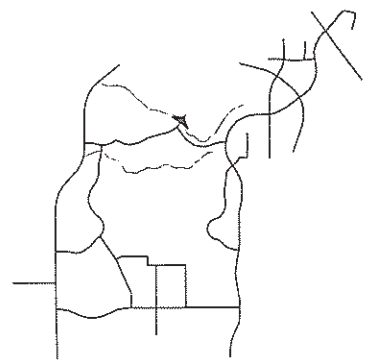
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"C" STREET



"D" & "E" STREET



"PE" STREET

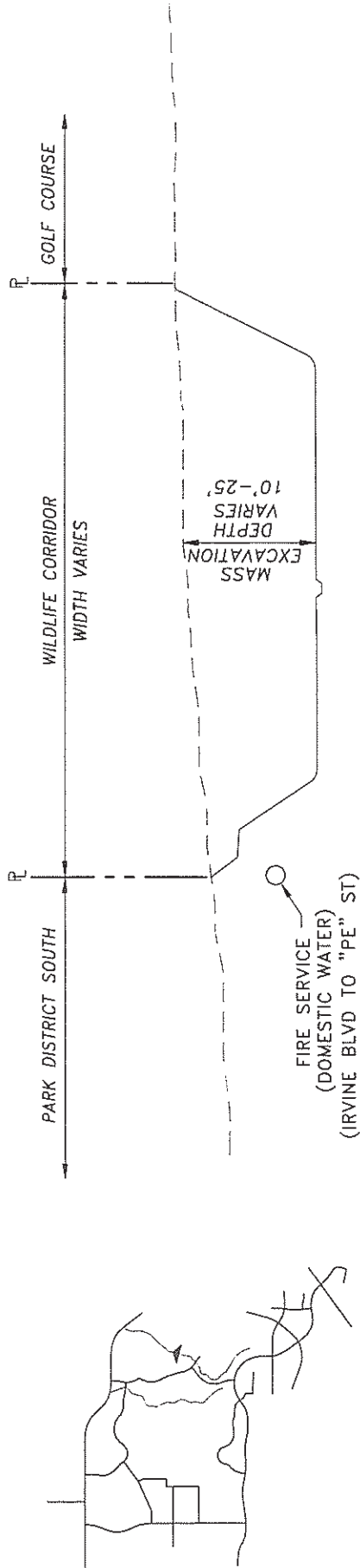
MP DATE ENTERED
 DATE: 11/23/09
 BY: 83739/09



HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS
 "C" STREET
 "D" & "E" STREET
 "PE" STREET

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**WILDLIFE CORRIDOR MASS EXCAVATION
(FROM IRVINE BLVD TO BORREGO CHANNEL)**



MAP DATE: 06/2009
DATE: 11/17/09
BY: J. WATSON
07/29/09

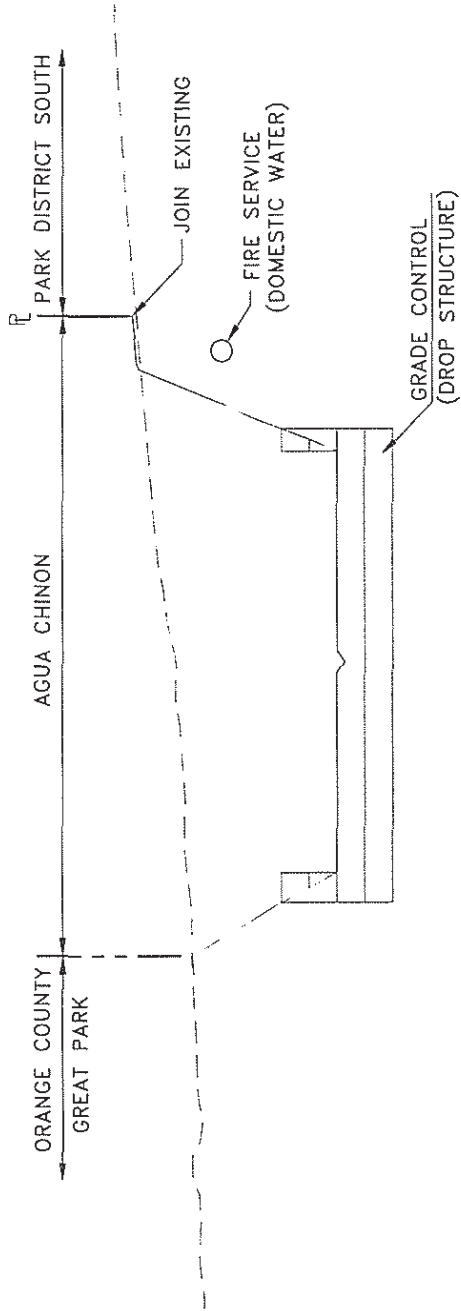
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BACKBONE STREETS

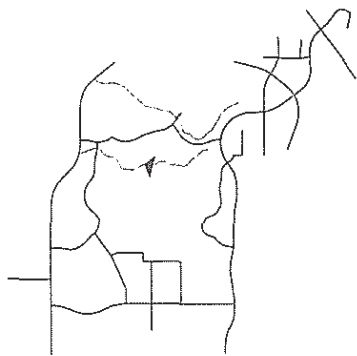
WILDLIFE CORRIDOR

PREPARED FOR





AGUA CHINON
(FROM IRVINE BLVD TO NORTH OF MARINE WAY)

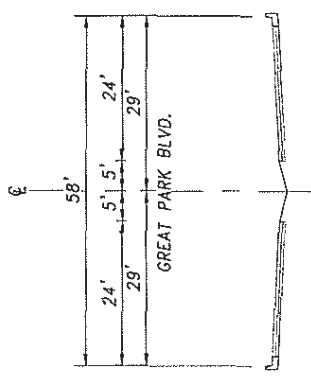


MAP DATE	DATE
11/17/08	07/29/09

HORIZONTAL SCALE: 1" = 100'

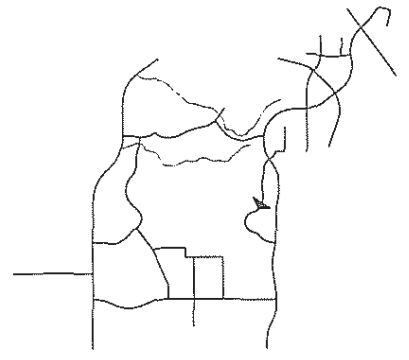
PREPARED FOR
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NEIGHBORHOODS

BACKBONE STREETS
AGUA CHINON



***GREAT PARK BOULEVARD**

* NOTE: SECTION TAKEN FROM OCGP SCHEMATIC DESIGN



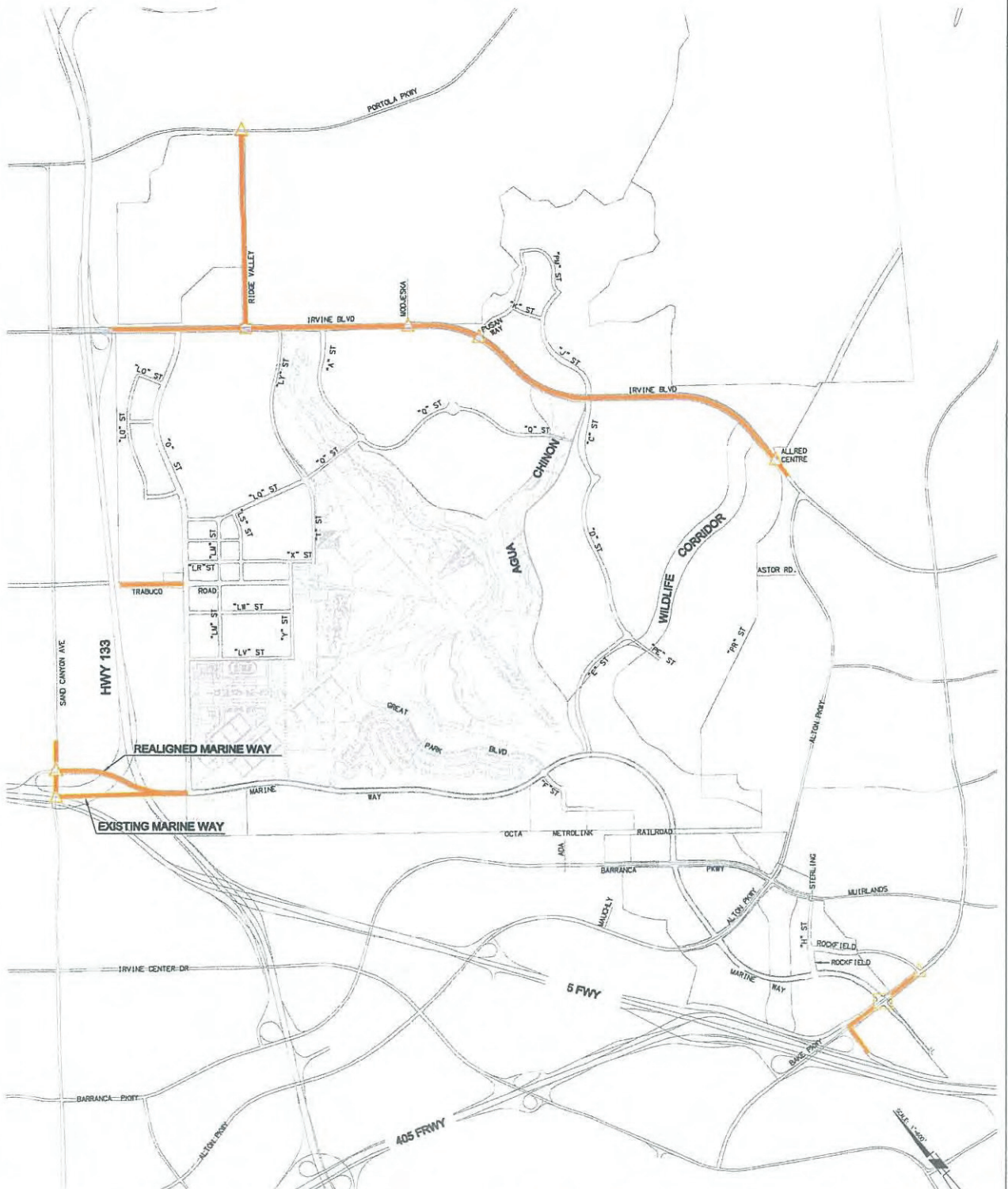
APP. DATE	03/23/09
BY	DL
DATE	03/23/09
BY	DL

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 11000 • 11th St., Suite 100 • San Diego, CA 92108 • Tel: (619) 584-9559 • Fax: (619) 584-9579

HORIZONTAL SCALE: 1" = 30'

BACKBONE STREETS	PREPARED FOR
GREAT PARK BOULEVARD	Great Park NEIGHBORHOODS

EXHIBIT E-1



LEGEND

- STREET FACILITIES -
- TRAFFIC SIGNAL -
- TRAFFIC SIGNAL MODIFICATION -

GROUP A FACILITIES
OFF-PROPERTY FACILITIES
STREETS, SIGNALS AND BRIDGES



DATE: JULY 6, 2009
SHEET 1 OF 8

PREPARED BY
RBF
CONSULTING

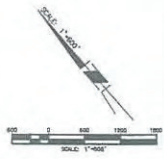
EXHIBIT E-1



LEGEND

- DRAINAGE FACILITIES —
- - - EXISTING DRAINAGE FACILITY - - -
- JOIN EXISTING DRAINAGE FACILITY ○

GROUP A FACILITIES
OFF-PROPERTY FACILITIES
STORM DRAIN



PLAN PREPARED BY
RBF CONSULTING
PLANNING & DESIGN & CONSTRUCTION
1050 ALTAIR DRIVE
IRVINE, CA 92618
TEL: 949.261.1111
WWW.RBFCONSULTING.COM

DATE
JULY 6, 2009
SHEET 2 OF 8

EXHIBIT E-1



LEGEND

- SEWER FACILITIES -
- EXISTING SEWER PIPELINES -

**GROUP A FACILITIES
OFF-PROPERTY FACILITIES
SEWER**

PLANNED BY: **RBF CONSULTING**
 PROJECT: **AGUA CHINON**
 DATE: **JULY 6, 2009**



DATE: **JULY 6, 2009**
 SHEET **3** OF **8**

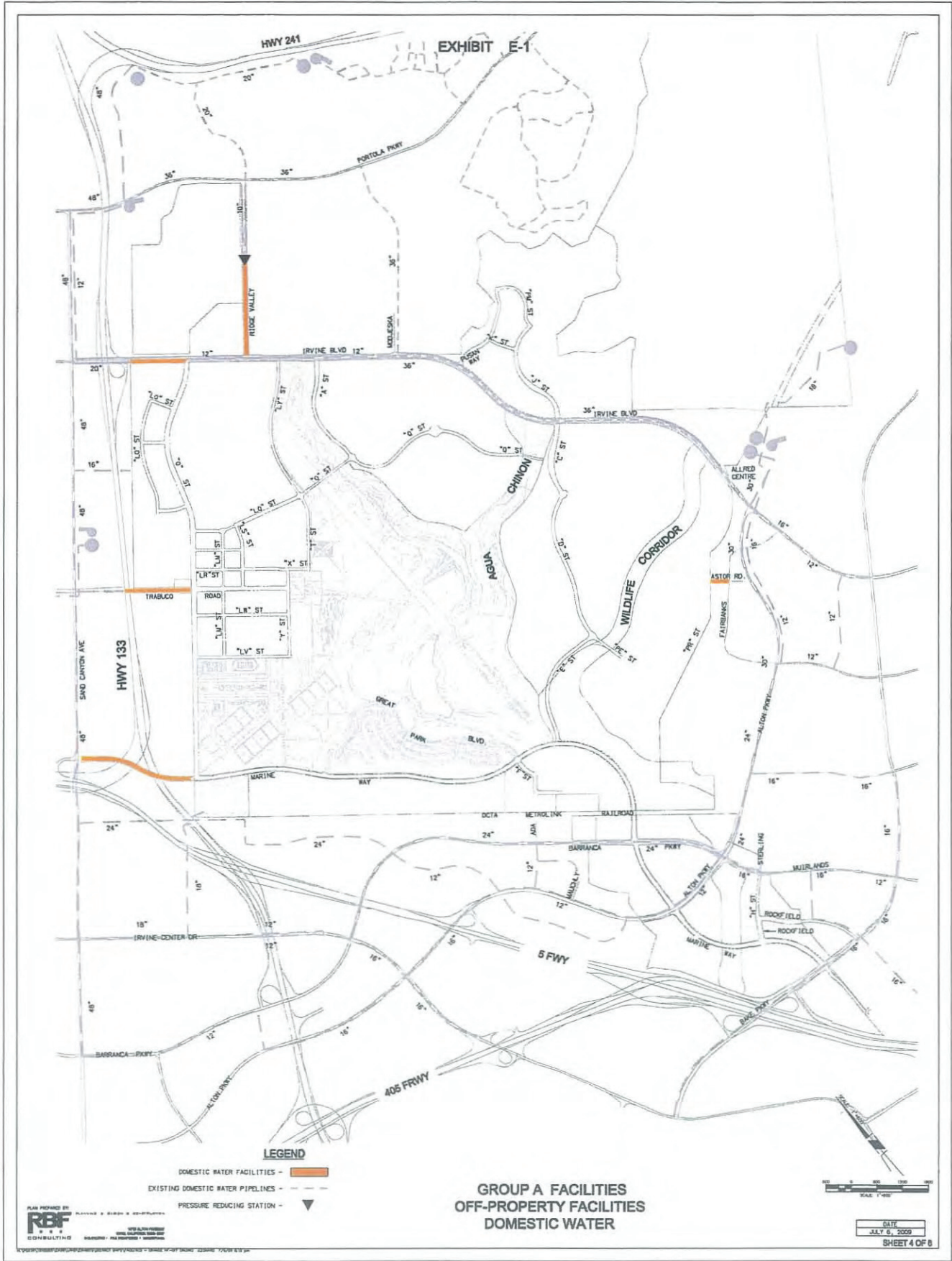


EXHIBIT E-1

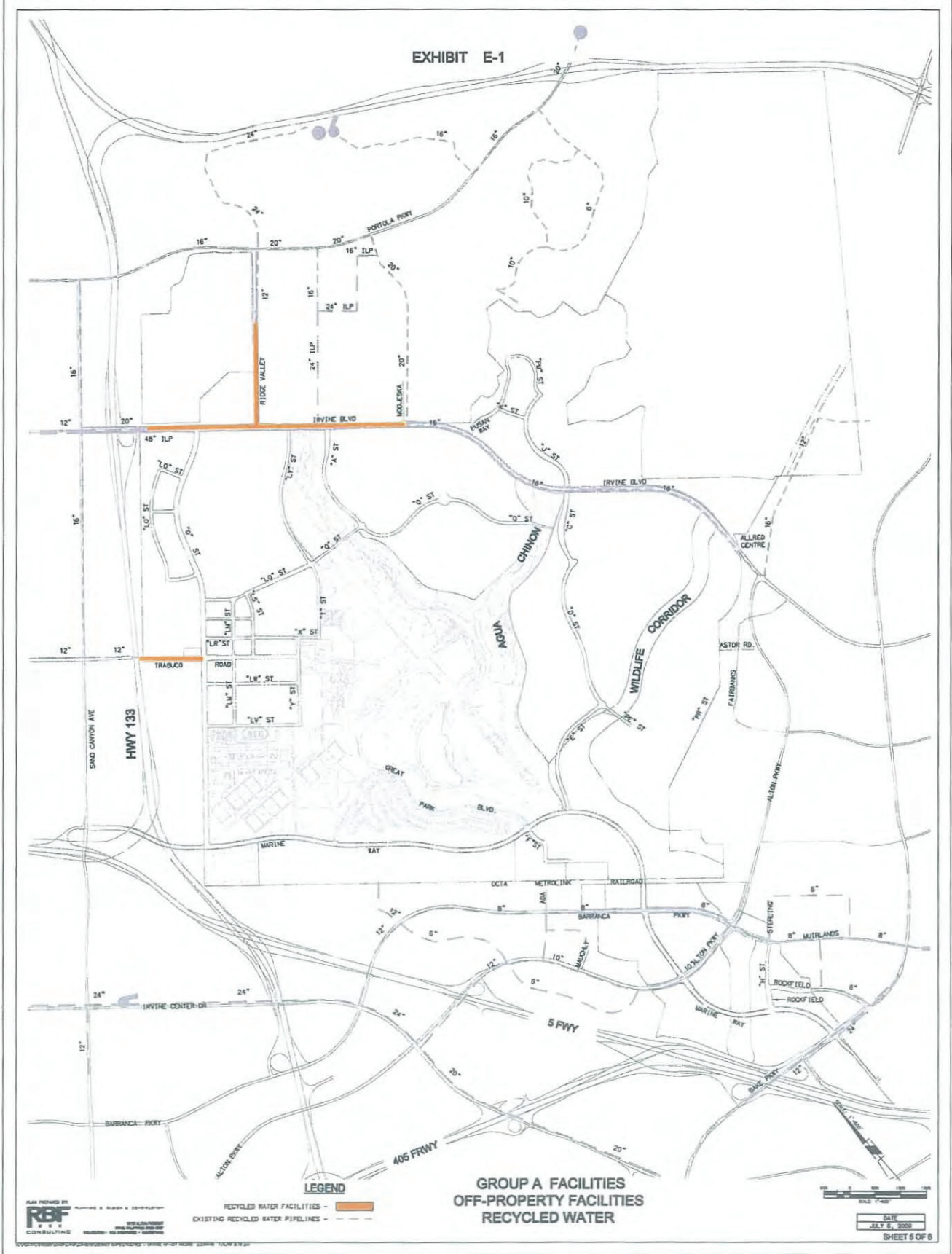


EXHIBIT E-1



LEGEND

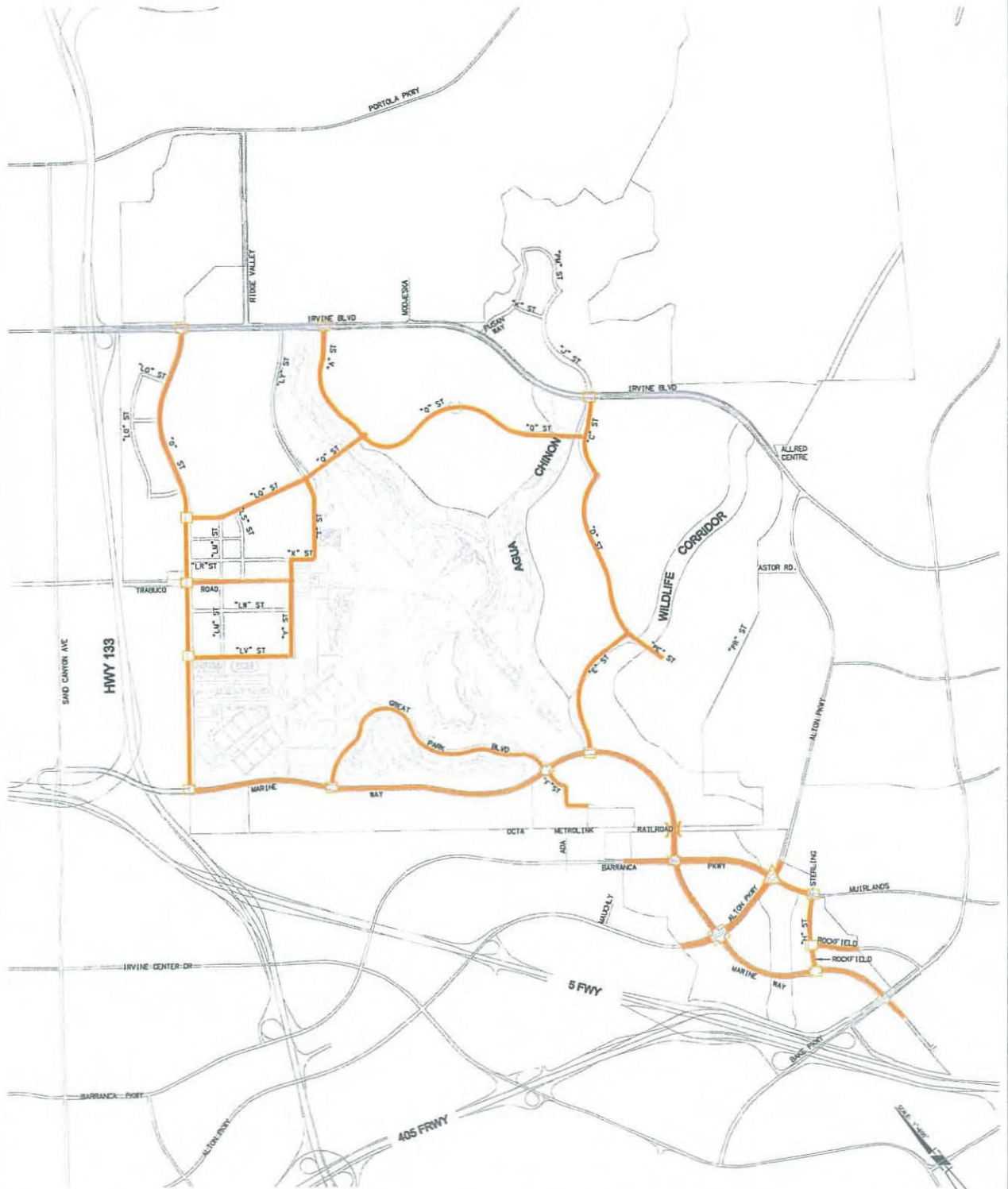
DRY UTILITY FACILITIES - [Orange Line]

GROUP A FACILITIES
OFF-PROPERTY FACILITIES
DRY UTILITY

PLAN PROVIDED BY
RBF
CONSULTING

SCALE: 1"=400'
DATE: JULY 6, 2009
SHEET 6 OF 8

EXHIBIT E-2



LEGEND

- STREET FACILITIES - [Orange line symbol]
- TRAFFIC SIGNAL - [Yellow square symbol]
- TRAFFIC SIGNAL MODIFICATION - [Yellow triangle symbol]
- BRIDGE - [Blue line symbol]

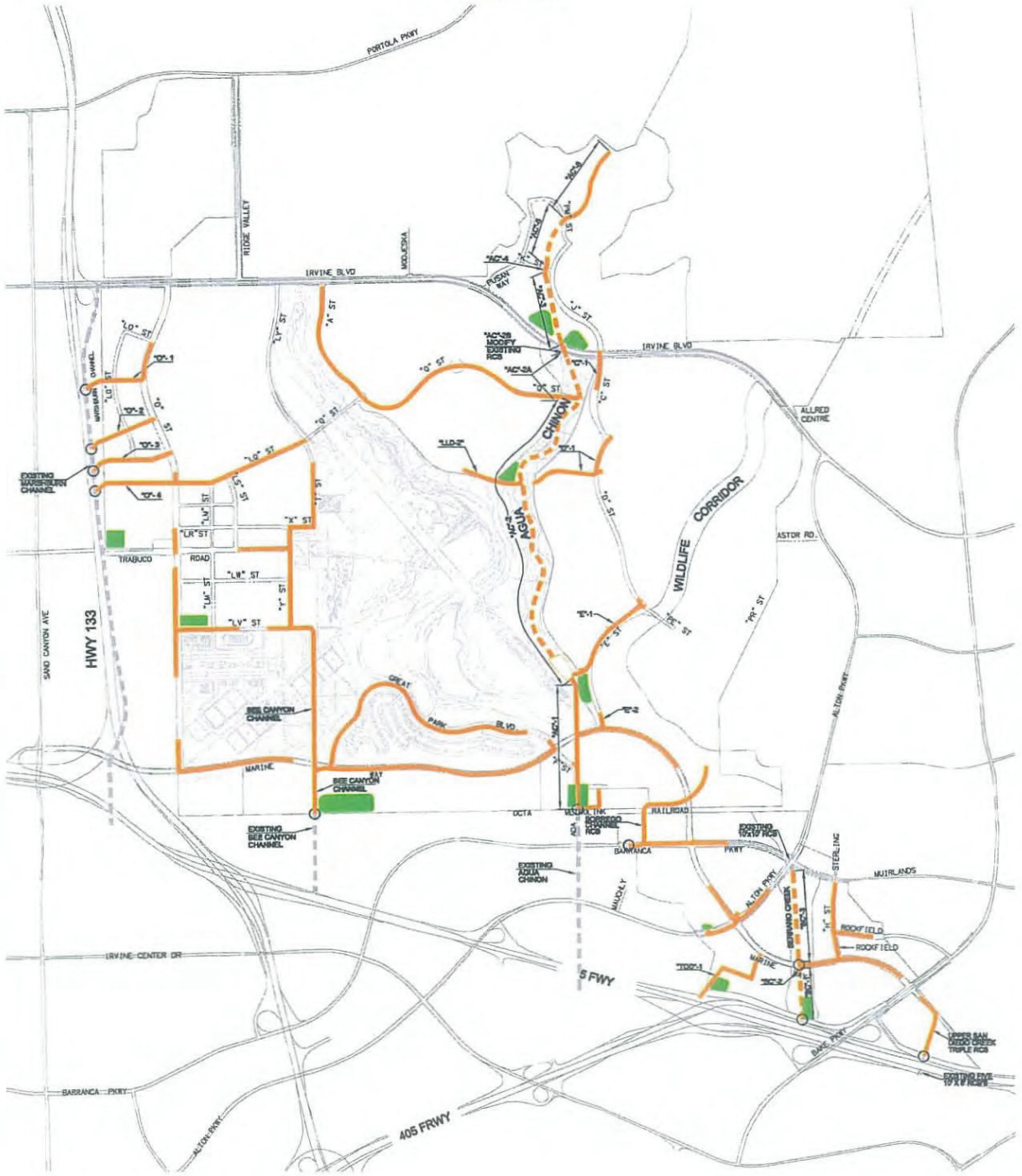
GROUP B FACILITIES
ON-PROPERTY FACILITIES
STREETS, SIGNALS AND BRIDGES

PLAN PREPARED BY
RBF
CONSULTING



DATE
JULY 7, 2009
SHEET 1 OF 7

EXHIBIT E-2



LEGEND

- DRAINAGE FACILITIES - [Orange line symbol]
- WATER QUALITY SYSTEM - [Green shaded area symbol]
- EXISTING DRAINAGE FACILITY - [Dashed orange line symbol]
- DRAINAGE FACILITIES (CROSS CHANNEL) - [Dashed orange line with cross symbol]
- JOIN EXISTING DRAINAGE FACILITY - [Circle symbol]

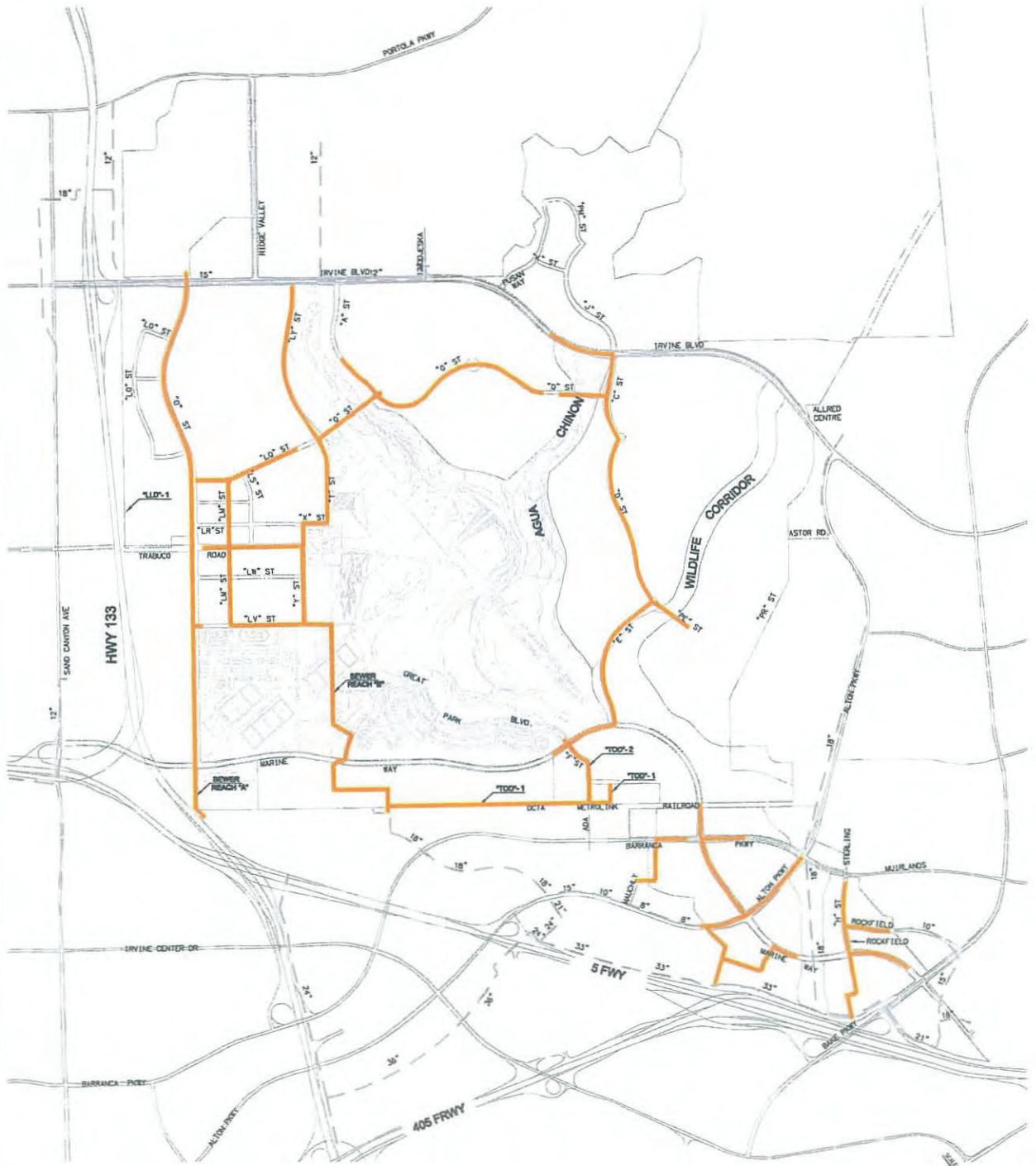
**GROUP B FACILITIES
ON-PROPERTY FACILITIES
STORM DRAIN**





AS PREPARED BY
REF
CONSULTING

DATE
JULY 6, 2000
SHEET 2 OF 7

EXHIBIT E-2



LEGEND
 SEWER FACILITIES - 
 EXISTING SEWER PIPELINES - 

**GROUP B FACILITIES
 ON-PROPERTY FACILITIES
 SEWER**

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 10000 BIRCHMOUNT RD. SUITE 100
 HOUSTON, TEXAS 77056
 TEL: 281.410.1100
 FAX: 281.410.1101
 WWW.RBFCONSULTING.COM

SCALE: 1"=100'

DATE
 JULY 5, 2020
 SHEET 3 OF 7

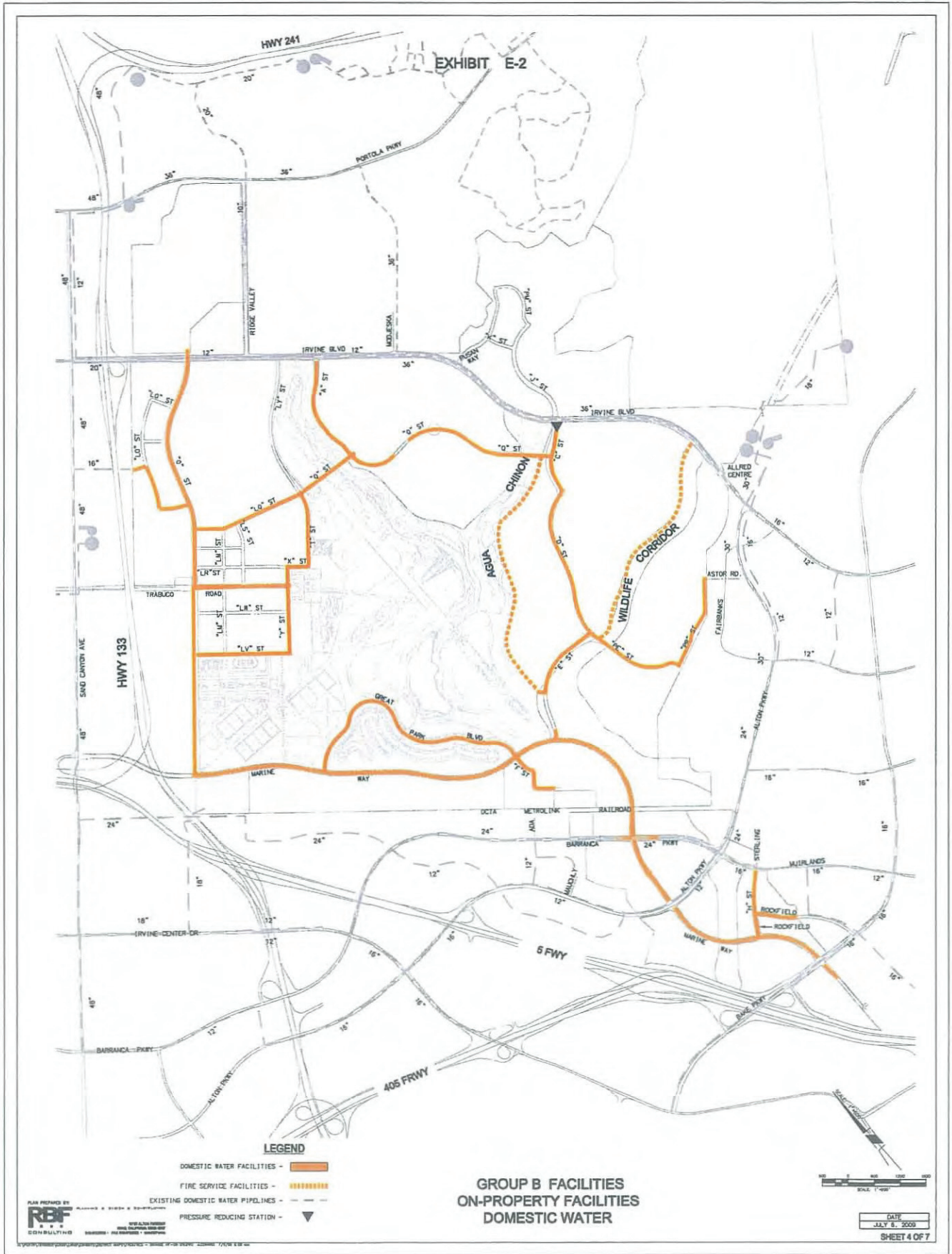


EXHIBIT E-2

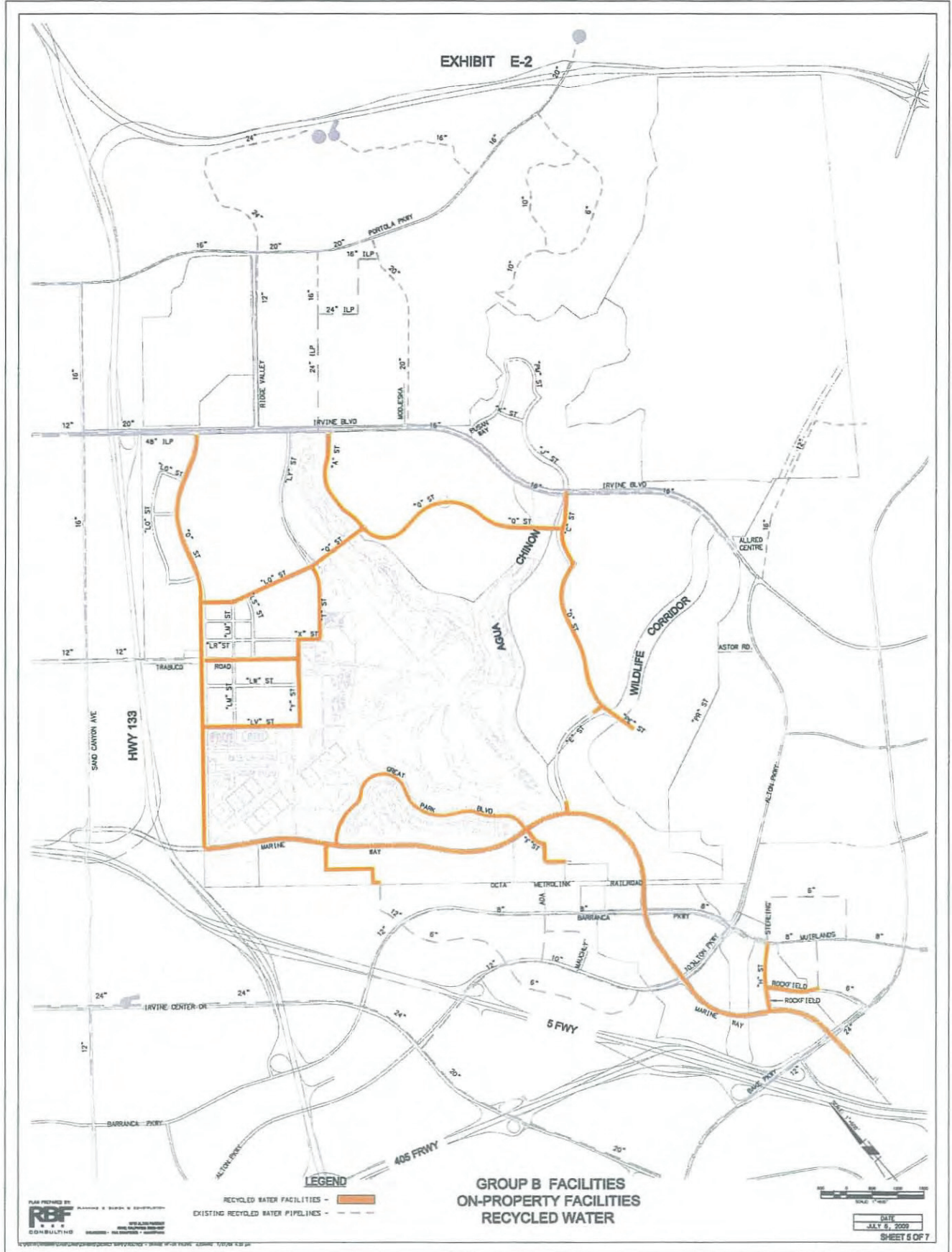
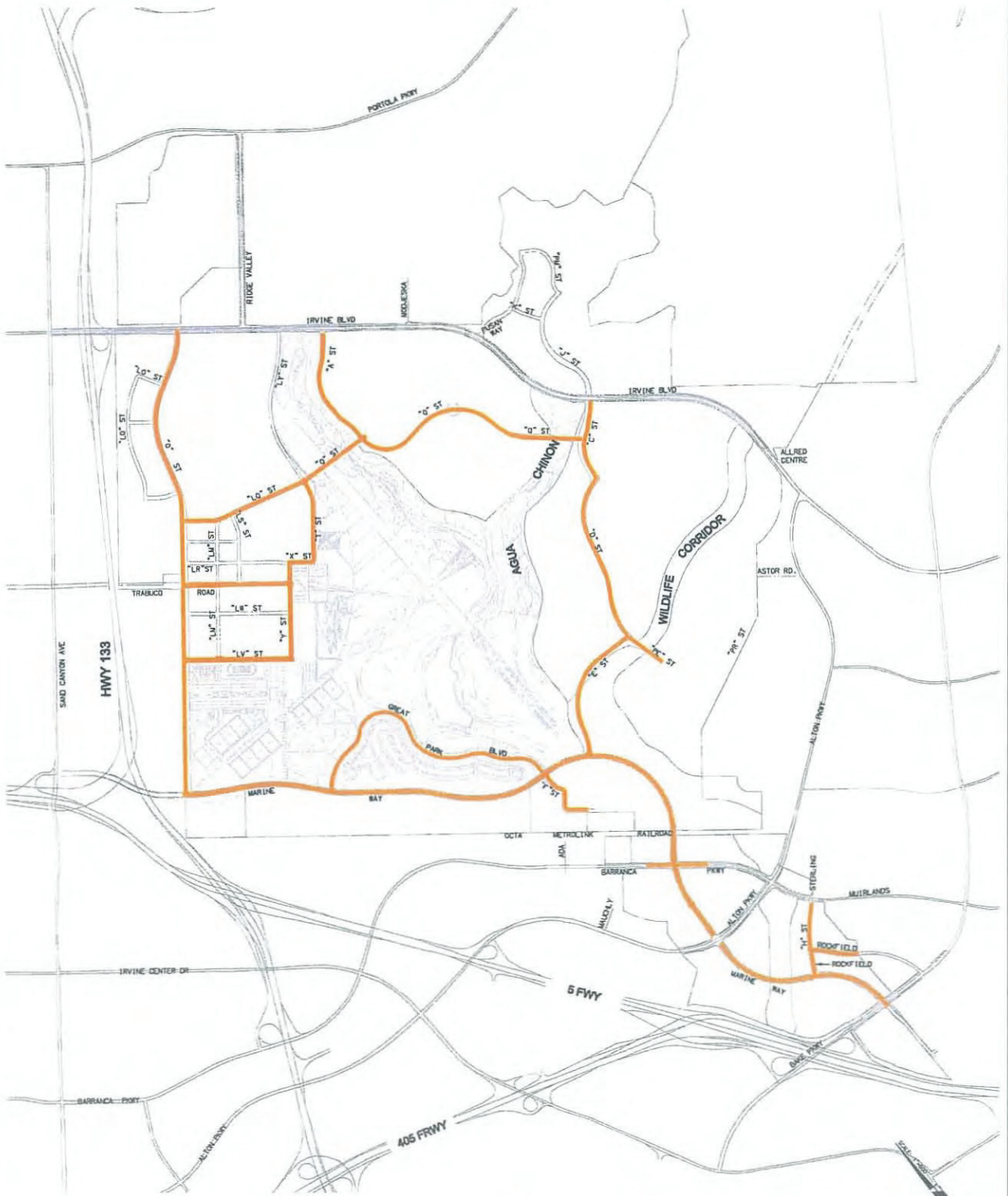


EXHIBIT E-2



PLAN PREPARED BY
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 SUITE 200
 IRVINE, CA 92618
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 FAX: 949.261.1112

LEGEND
 DRY UTILITY FACILITIES -

**GROUP B FACILITIES
 ON-PROPERTY FACILITIES
 DRY UTILITIES**

SCALE 1"=100'
 DATE
 JULY 6, 2009
 SHEET 6 OF 7

EXHIBIT E-2

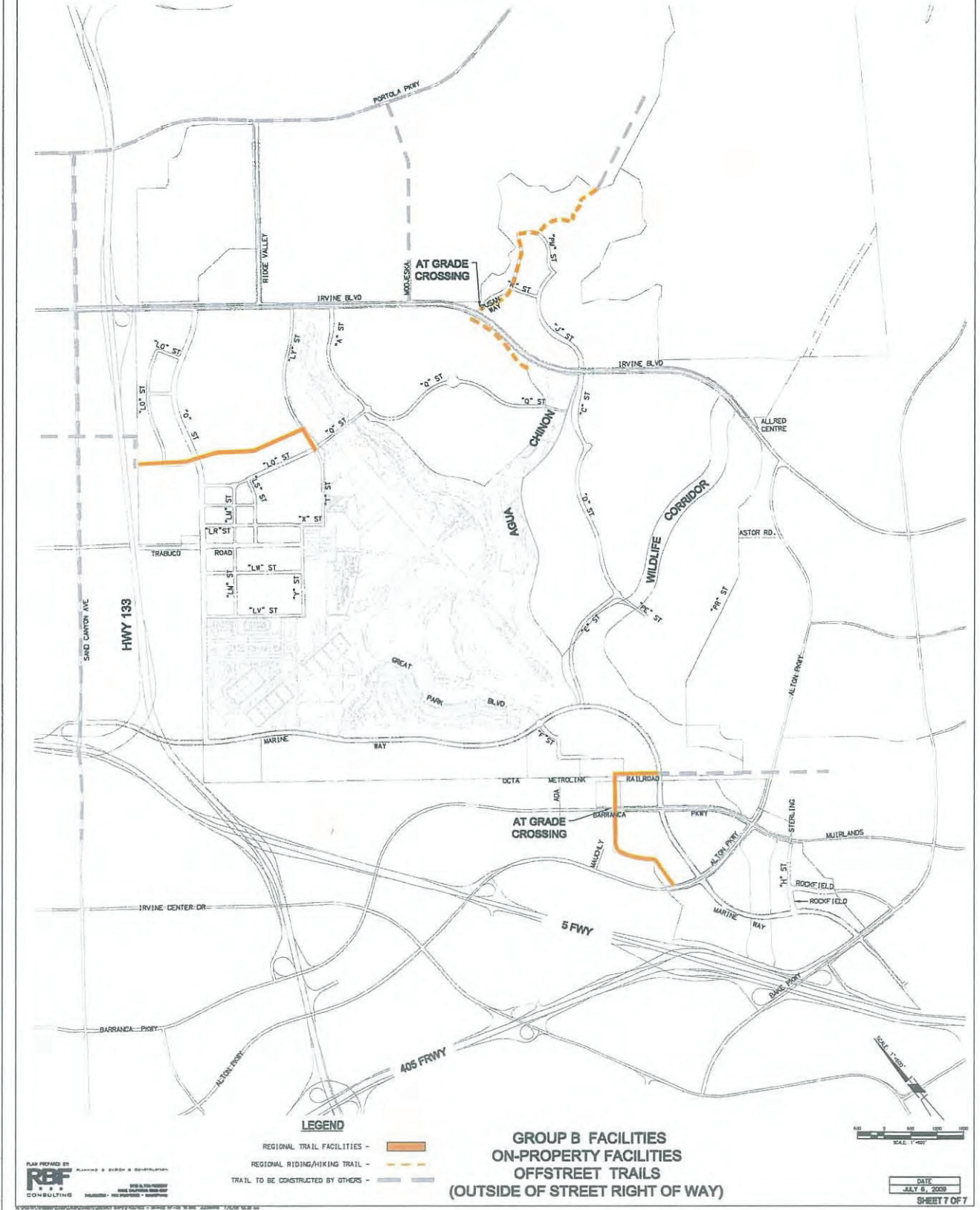


Exhibit E-3
Heritage Fields LLC / Orange County Great Park
Group A and Group B Facilities
Narrative

July 2009

CURRENT ENTITLEMENT AND PENDING APPROVALS

Group A and Group B facilities described herein are based upon the following approvals and pending approvals;

- 1) Approved Amended VTTM 17008 (Reso 08-2921)
- 2) Approved Master Landscape and Trail Plan for VTTM 17008 (Reso 08-2922)
- 3) Approved Modification to OCGP Streetscape Design Guidelines (Reso 08-2923)
- 4) Approved VTTM 17283 (Reso 08-2924)
- 5) Approved LLD Non Res Master Plan and Design Guidelines (Reso 08-2925)
- 6) Pending approval TPM 2008-152 for PA 30 R & D and Auto Center
- 7) Pending approval PA 30 6 Ac Parcel
- 8) City and County approved San Diego Creek Flood Control Master Plan Update dated October 2, 2008 (County case number EC29320, City case number 00457521-EMC).
- 9) City and County approved PA 51 Marshburn Watershed Update, dated October 2, 2008 (County case number EC29320, City case number 00457521-EMC)
- 10) IRWD SAMP (March 17, 2009).
- 11) Approved Conceptual Project Water Quality Management Plan (WQMP), Updating the Integrated Master Plan of Drainage, Water Quality and Habitat Mitigation. (April 23, 2009)

GROUP A FACILITIES (OFF-PROPERTY FACILITIES)^{1 2 3 4}

A) OFF-PROPERTY STREETS AND SIGNALS

- 1) **Irvine Blvd** - Street widening as required from State Highway 133 to west of Alton Parkway to include additional lanes (as required), right of way acquisition, multiple left turning lanes, right turn lanes, grading, subgrade prep, base, paving, curb and gutter, median, sidewalks, access ramps, trails (within ROW), adjust utilities to grade, remove utility poles, relocation/removal of existing utilities, underground utility lines, signing, striping, grinding, ac overlay, traffic control and street lights, slurry seal.
- 2) **Irvine Blvd Traffic Signals**- Proposed Signal at Ridge Valley, and signal modifications at Modjeska, Allred Centre and Pusan Way. Includes Signal interconnect, advance detection, easements and telemetry.

¹ Street Sections as illustrated per "HF / OCGP Backbone Facility Cross Sections.

² Demolition as required to construct Backbone Infrastructure is included.

³ "Green Streets" and "Sustainability" features are not considered Off or On-Property Facilities.

⁴ City shall provide right of way and easements necessary on City or County property to implement Backbone Infrastructure when required at no cost to Heritage Fields.

- 3) **Marine Way⁵** – Street improvements as required from Sand Canyon to “O” Street including grading, right of way acquisition and related relocation costs, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, trails, adjust utilities to grade, access ramps, street lights and remove utility poles, relocation of existing utilities, signing, striping, and underground utility lines.
- 4) **Marine Way Traffic Signals** – Proposed Traffic Signal modification at Sand Canyon and at existing Marine Way / Sand Canyon intersection. Includes Signal interconnect, advance detections, easements and telemetry.
- 5) **Existing Marine Way at Sand Canyon** - Street improvements as required for the modifications to existing Marine Way and Sand Canyon to a “right-in and right out” entrance including existing signal pole and equipment removal, modifications on Sand Canyon and providing access to the existing users.
- 6) **Existing Sand Canyon at Marine Way / I-5 Ramps** – Restriping of the existing Sand Canyon and I-5 Ramps. As required in the approved Bake Parkway – Marine Way circulation system amendment.
- 7) **Bake Parkway** – Street-widening improvements as required including right of way acquisition, daylight grading, base, paving, curb, subgrade prep, gutter, signing, grinding, ac overlay, sidewalk, joins, striping, access ramps, traffic control, removals/relocation of existing utilities and adjust manholes and valves to grade. Includes Traffic Signal at Marine Way.
- 8) **Rockfield and Bake Parkway Intersection** – Street improvements as required including right of way acquisition for the modification to the existing intersection of Rockfield and Bake Parkway. Includes modification to the existing traffic signal.
- 9) **NB I-5 Bake Parkway Off Ramp**- Street improvements as required to the NB I-5 Bake Parkway off ramp. Includes Off Ramp widening as required including daylight grading, base, paving, joins, ac overlay, asphalt curb, signing, striping and modification to the existing signal.

⁵ For that portion of the Marine Way right of way affecting the area currently occupied by OCTA, Heritage Fields' contribution for such right of way acquisition costs shall not exceed \$2 million dollars and its contribution for the costs to relocate existing improvements within such right of way area shall not exceed \$500,000 (for a total of \$2.5 million dollars), provided that either the City or Heritage Fields can elect to obtain a third-party appraisal of the OCTA right of way area at the time of acquisition (from an appraiser mutually approved by both Parties) in which case Heritage Fields' contribution shall equal the valuation set forth in such appraisal. City shall contribute all amounts for the OCTA Marine Way right of way acquisition costs and costs to relocate existing improvements to the extent the same exceed Heritage Fields' contribution obligations. Notwithstanding any provision to the contrary in the Amended and Restated Agreement to which this Exhibit is attached or the Amended MIA, City shall be responsible to deliver right of way for purposes of commencement of work on such segment of Marine Way when dictated by the Master Phasing Plan & Schedule as defined in the Amended MIA.

- 10) **Ridge Valley** –Project related street improvements as required from existing Portola Parkway to Irvine Blvd including right of way acquisition, grading, removals, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, trails, adjust manhole, access ramps, street lights, grinding, ac overlay, traffic control, water quality, remove utility poles, and underground utility lines. Includes traffic signal modification to existing traffic signal on Portola Parkway at Ridge Valley.

- 11) **Trabuco Road** - Full width street improvements from State Highway 133 to "O" street including right of way acquisition, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, grinding, ac overlay, traffic control, street lights, water quality, remove utility poles, relocate existing utilities and underground of existing overhead 66 KV SCE transmission lines along Trabuco Road.

B) OFF-PROPERTY STORM DRAIN FACILITIES: (Facilities subject to change based upon processing the final Basis of Design Reports)

- 1) **Irvine Blvd (IRV-1, IRV-2)**- Storm Drain as required from State Highway 133 to west of Alton Parkway including laterals, catch basins, junction structures, manholes, local depressions for street drainage and connections to existing downstream facilities. Includes storm drain outside of Irvine Blvd. required to connect to existing downstream facilities.
- 2) **“O” Street (O-6)** – Storm drain as required from Marshburn Channel through PA-40 to “O” street including junction structures and connections to existing downstream facilities.
- 3) **Marine Way**-Storm Drain as required from Sand Canyon to “O” street including laterals, catch basins, junction structures, manholes and local depressions for street drainage, and connections to existing downstream facilities. Includes Raceway improvements, the Marshburn Channel and Marine Way crossing and roadway drainage improvements. Right of way required to connect to existing downstream facilities.
- 4) **Bake Parkway**- Storm Drain as required from Bake Parkway to San Diego Creek including laterals, catch basins, junction structures, manholes and local depressions for street drainage, and connections to existing downstream facilities.
- 5) **Alton Parkway**– Storm Drain as required from the T.O.D to existing Agua Chinon including laterals, junction structures, manholes, catch basins, local depressions, and connections to existing downstream facilities.
- 6) **Ridge Valley**– Storm drain as required from existing Portola Parkway to Marshburn Basin including right of way acquisition storm drain junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 7) **Trabuco Road** – Storm drain as required from Marshburn Channel along Trabuco Road to “O” street including laterals, junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 8) **“Offsite” TOD**– Regional drainage system from southeast corner of the General Industrial Zoning District Portion of PA 30 south of Marine Way and following the rear of the existing properties fronting Technology Drive, and connection to Agua Chinon. Improvements include a base level drainage infrastructure to provide flood protection, including any required modifications to the exiting downstream Caltrans drainage system. Includes land and right of way acquisition.

C) OFF-PROPERTY SEWER FACILITIES: ⁶

- 1) **Marine Way**-Sewer mainline as required from Sand Canyon to Marshburn Channel Includes laterals, monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping.
- 2) **Reach "A" Sewer** -Sewer mainline as required from the existing sleeve (Under the I-5 freeway just south of Technology Drive) to the south side of the railway right of way. Includes monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping.
- 3) **Trabuco Road**– Sewer mainline as required from SR 133 to "O" Street. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.

D) OFF-PROPERTY DOMESTIC AND RECYCLED WATER FACILITIES: ⁶

- 1) **Irvine Blvd**- Domestic water main as required from State Highway 133 to "O" street includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, connection to existing facilities and replacement of existing pavement and striping.
- 2) **Irvine Blvd**- Recycled water mains as required from State Highway 133 to Modjeska includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities and replacement of existing pavement and striping.
- 3) **Marine Way**- Domestic water main as required from Sand Canyon to "O" street includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, connection to existing facilities, and replacement of existing pavement and striping.
- 4) **Ridge Valley**– Domestic and recycled water mains as required from point of connection south of Portola to Irvine Blvd includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, pressure reducing, and replacement of existing pavement and striping
- 5) **Trabuco Road**– Domestic and recycled water mains as required from west of SR 133 (through Caltrans Bridge) to "O" street includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, tees, thrust blocks, concrete cap, irrigation water service and connection to existing facilities.

⁶ Regional IRWD Facilities are considered Off-property facilities.

- 6) **Astor Road**– Domestic water main as required from Borrego Channel to Fairbanks includes tees, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, connection to existing facilities, and pressure reducing.

E) OFF-PROPERTY LANDSCAPE, AMENITIES, IRRIGATION SYSTEM, AND PLANTINGS IN THE FOLLOWING RIGHT-OF-WAY

- 1) **Irvine Blvd.** from State Highway 133 to Alton Parkway.
- 2) **Marine Way** from Sand Canyon to "O" street.
- 3) **Bake Parkway.**
- 4) **Ridge Valley** from existing Portola to Irvine Blvd.
- 5) **Trabuco Road** from State Highway 133 to "O" street.

F) OFF-PROPERTY DRY UTILITIES

Facilities include CATV, telephone, electric, gas and may include relocation or conversion of transmission lines including trenching, shading, conduit risers, pullboxes, vaults, hand holes, etc., in the following streets:

- 1) **Irvine Blvd.** from State Highway 133 to west of Alton Parkway.
- 2) **Marine Way** from Sand Canyon to "O" street.
- 3) **Ridge Valley** from point of connection south of Portola Parkway to Irvine Blvd.
- 4) **Trabuco Road** from State Highway 133 to "O" street.

GROUP B FACILITIES (ON-PROPERTY FACILITIES) ^{1 2 3 4}

A) ON-PROPERTY STREET AND SIGNALS

- 1) **Marine Way** – Street improvements as required from “O” street to Bake Parkway including grading, right of way acquisition, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, trails, adjust utilities to grade, access ramps, street lights and remove utility poles, relocation of existing utilities, signing, striping, and underground utility lines.
- 2) **Marine Way at railroad bridge** – Bridge improvements including railway improvements, grading, abutments, access ramps, lighting, drainage, utility crossings, sidewalks, trails and right of way acquisition.
- 3) **Marine Way Traffic Signals** – Proposed Traffic Signals at “O”, “F”, “E”, Great Park Blvd., Barranca, Alton, and Rockfield. Includes Signal interconnect, advance detection, easements, and telemetry.
- 4) **Irvine Blvd Traffic Signals**- Proposed Traffic Signals at “O”, “A” street, “C” street. Includes Signal interconnect, advance detection, easements, and telemetry.
- 5) **Barranca Parkway/Muirlands Boulevard** - Street improvements as required from east of Ada to Sterling, including grading, base, paving, curb, median, subgrade prep, gutter, striping, access ramps, traffic control, grinding, ac overlay, sidewalk, joins and adjust existing utilities to grade. Also includes modifications to Barranca due to the Marine Way / Railway overcrossing and a modification to existing Traffic Signal on Barranca at Alton.
- 6) **Muirlands and Sterling Traffic signal** – Proposed traffic signal at Muirlands and Sterling ave. Signal interconnect, advanced detection, easements, and telemetry.
- 7) **Alton Parkway** - Street improvements, mostly comprised of widening of existing, as required from west of Marine Way to east of Barranca Parkway including base, paving, curb, medians, sidewalks, grinding, ac overlay, traffic control, subgrade prep, gutter, signing and striping, access ramps, and adjust existing utilities to grade.
- 8) **Rockfield Blvd** - Street improvements as required from existing Rockfield to Marine Way including right of way acquisition, base, paving, curb, subgrade prep, gutter, median, signing and striping, sidewalks, trails (within ROW), adjust manhole, access ramps, street lights and remove utility poles, and underground utility lines. Includes traffic signal at “H” Street.

¹ Street Sections as illustrated per “HF / OCGP Backbone Facility Cross Sections.

² Demolition as required to construct Backbone Infrastructure is included.

³ “Green Streets” and “Sustainability” features are not considered Off or On-Property Facilities.

⁴ City shall provide right of way and easements necessary on City or County property to implement Backbone Infrastructure when required at no cost to Heritage Fields.

- 9) **"F" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, water quality, and underground utility lines.
- 10) **"O" Street (Trabuco to Irvine Blvd)**- Full width street improvements from Trabuco to Irvine Blvd including right of way acquisition, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, trails, adjust manhole, access ramps, street lights, water quality, remove utility poles, relocate existing utilities and underground utility lines.
- 11) **"O" Street (Trabuco to Marine Way)**- Half width street improvements from Trabuco road to Marine Way including right of way acquisition, base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, water quality, remove utility poles, relocate existing utilities and underground of 66KV SCE Transmission line from Trabuco to approximately 2500 lf south of Trabuco.
- 12) **"O" Street Traffic Signals**– Proposed traffic signals at Trabuco Road", "L-Q", and "L-V". Signal interconnect, advance detection, easements, and telemetry
- 13) **Trabuco Road** - Full width street improvements from "O" street to "Y" street including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, grinding, ac overlay, traffic control, street lights, and water quality.
- 14) **"L-V" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 15) **"A" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 16) **"Y" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 17) **"X" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 18) **"T" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 19) **"Q" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 20) **"C" Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.

- 21) **“D” Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 22) **“E” Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 23) **“P-E” Street** -Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 24) **“H” Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 25) **“L-Q” Street** - Full width street improvements including base, paving, curb, subgrade prep, gutter, median, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality.
- 26) **Great Park Blvd** - Full width street improvements including base, paving, curb, subgrade prep, gutter, striping, sidewalks, adjust manhole, access ramps, street lights, and water quality for paved surface. Modification to Extraction Wells and Shallow Ground Water Unit is not included.

B) ON-PROPERTY STORM DRAIN FACILITIES: (Facilities subject to change based upon Processing the Basis of Design Reports)

- 1) **Marine Way**-Storm Drain as required from "O" street to Bake Parkway including laterals, catch basins, junction structures, manholes and local depressions for street drainage, and connections to existing downstream facilities. Includes storm drain outside of Marine Way.
- 2) **Barranca Parkway**- Storm Drain as required from east of Ada to east of Alton Parkway including laterals, catch basins, junction structures, manholes, and local depressions for street drainage, and connections to existing downstream facilities.
- 3) **Alton Parkway**- Storm Drain as required from west of Barranca Parkway to west property line of the T.O.D.including laterals, junction structures, manholes, catch basins, local depressions, and connections to existing downstream facilities.
- 4) **Rockfield Blvd** – Storm drain as required from Marine Way to "H" street including storm drain mainlines and connections to downstream facilities.
- 5) **"H" Street** – Storm drain as required from Rockfield Blvd to Muirlands. Includes storm drain from "H" st to existing storm drain (east property line of the TOD). Includes laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 6) **"O" Street (O-1, O-2, O-3, O-4)**- Storm drain as required from L-G street to Trabuco Road including junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 7) **"L-Q" Street**- Storm drain as required from "O" street to "L-Y" street including laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 8) **"O" Street (O-6)**- Storm drain as required from PA-40 to "L-R" street within "O" street including junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 9) **"O" Street to Marine Way**- Storm drain as required within "O" street, south of O-6, to Marine Way including junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 10) **Trabuco Road** – Storm drain as required from "O" street to "Y" street including laterals, junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 11) **"L-V" Street** – Storm drain as required between "O" street and "Y" street including laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.

- 12) **“T” Street** – Storm drain as required from south of “L-Q” street to “X” street including laterals, junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 13) **“X” Street** – Storm drain as required from “Y” street to “T” street including laterals, junction structures, manholes, catch basins, local depressions and connections to existing downstream facilities.
- 14) **“Y” Street** – Storm drain as required from “X” street to “L-V” street including laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 15) **“Bee Canyon Channel (Through OCGP)”** – Storm drain facility. Approximate limits are from Marine Way to “Y” street including laterals, junction structures, manholes, and connections to existing storm facilities and connections to downstream facilities.
- 16) **“Bee Canyon” Channel at Marine Way** – Regional storm drain facility (Double 7'x10' RCB) to facilitate storm drain connections, and construction of a regional facility from OCFCD connection south of the railway to Marine Way including laterals, junction structures, manholes, and connections to existing downstream facilities.
- 17) **“A” Street** – Storm drain as required from Irvine Blvd to “Q” street including laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 18) **“Q” Street** – Storm drain as required including laterals, junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 19) **“AC-1” Agua Chinon** – Regional storm drain facility (12'x12' RCB) as required from existing OCFCD Agua Chinon box to a proposed inlet structure, north of Marine Way. This will include required laterals, junction structures, manholes, and modification to existing downstream facilities and connections to the existing OCFCD system.
- 20) **“AC-2” Agua Chinon** – Regional drainage system as required from “AC-1” to the south edge of “Q” street consisting of open channel, soft bottom channel required to provide flood protection, grade control devices, flowline stabilization, access, maintenance, and required infrastructure for the establishment of jurisdictional habitat. Cross section as illustrated per “HF / OCGP Backbone Facility Cross Sections”.
- 21) **“AC-2a” Agua Chinon** – Regional storm drain facility as required from “AC-2”, under “Q” street to the existing culvert south of Irvine Blvd as required to provide flood protection, grade control devices, flowline stabilization, access, maintenance and connections to downstream facilities.
- 22) **“AC-2b” Agua Chinon** – Modifications to the existing culvert under Irvine Blvd. Includes modifications to the existing entrance and outlet walls.

- 23) **“AC-3” Agua Chinon** – Regional drainage system as required from Irvine Blvd to “K” street including modification to the Irvine Blvd undercrossing required to provide flood protection, grade control devices, flowline stabilization, access, maintenance, required infrastructure for the establishment of jurisdictional habitat. and connections to downstream facilities.
- 24) **“AC-4” Agua Chinon** – Regional storm drain facility (6’x8’ RCB) for the undercrossing of “K” street. Improvements include a culvert crossing to provide flood protection and connections to downstream facilities.
- 25) **“AC-5” Agua Chinon** – Regional storm drain facility (6’x8’ RCB) from “K” street to “P-M” street. Improvements include a RCB channel to provide flood protection, access, maintenance, and connections to downstream facilities.
- 26) **“AC-6” Agua Chinon** – Regional storm drain facility (6’x8’ RCB) from “P-M” street to north property line. Improvements include a RCB to provide flood protection, including an inlet structure north of the property line of Park District North.
- 27) **“C” Street (C-1)**– Storm drain as required within “C” street to connect to Agua Chinon including laterals junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 28) **“D” Street (D-1)**– Storm drain as required within “D” street and outside of “D” Street to connect to Agua Chinon including laterals junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 29) **“E” Street (E-1,E-2)**– Storm drain as required within “E” street and outside of “E” Street to connect to Agua Chinon including junction structures, manholes, catch basins, local depressions and connections to downstream facilities. Includes storm drain within “E” Street to Marine Way.
- 30) **“F” Street**– Storm drain as required from “F” street to Agua Chinon including junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 31) **Borrego Channel** – Regional storm drain facility as required from the Wildlife Corridor, under Marine Way, to existing Borrego Channel includes replacement of existing Borrego Channel to meet OCFCD standards and to provide flood protection, right of way acquisition, flood control maintenance and access facilities and connections to downstream facilities.
- 32) **“TOD-1”** Regional drainage system from Marine Way, through portion of the General Industrial Zoning District Portion of PA 30 south of Marine Way. Improvements include a base level drainage infrastructure to provide flood protection, including required modifications to the existing downstream Caltrans drainage system.
- 33) **“SC-1” Serrano Creek** – Regional drainage system from existing I-5 culvert to Marine Way. Improvements include a open channel with flowline stabilization, grade control devices in order to provide flood protection, including any required modifications to the existing Caltrans culvert.

- 34) **“SC-2” Serrano Creek** – Regional drainage system undercrossing at Marine Way. Improvements include culvert crossing to provide flood protection, access and maintenance facilities.
- 35) **“SC-3” Serrano Creek** – Regional drainage system from Marine Way to Alton Parkway. Improvements include a soft bottom open channel with grade control devices to provide flood protection, including required modifications to outlet structure of the culvert at Alton Parkway, access and maintenance facilities.
- 36) **Upper San Diego Creek** – Regional drainage system as required from an existing culvert at I-5 to the easterly property line. Improvements include a RCB to provide flood protection and required modifications to the existing Caltrans entrance structure.
- 37) **Bee Canyon water quality system-** Water quality treatment systems as required to protect the backbone drainage facilities. This includes base level drainage infrastructure to provide treatment, access and maintenance facilities, and outlets to downstream facilities. Final locations are subject to final approval of a detailed Water Quality Management Plan.
- 38) **Agua Chinon water quality system-** Water quality treatment systems as required to protect the backbone drainage facilities. This includes base level drainage infrastructure to provide treatment, access and maintenance facilities, and outlets to downstream facilities. Final locations are subject to final approval of a detailed Water Quality Management Plan.
- 39) **Serrano Creek water quality system-** Water quality treatment systems as required to protect the backbone drainage facilities. This includes base level drainage infrastructure to provide treatment, access and maintenance facilities, and outlets to downstream facilities. Final locations are subject to final approval of a detailed Water Quality Management Plan.
- 40) **Great Park Blvd** – Storm drain as required within Great Park Blvd. to provide conveyance of roadway runoff including laterals junction structures, manholes, catch basins, local depressions and connections to downstream facilities.
- 41) **Backbone water quality treatment systems-** Water quality treatment systems as required to protect the backbone drainage facilities. This includes base level drainage infrastructure to provide treatment, access and maintenance facilities, and outlets to downstream facilities. Final locations are subject to final approval of a detailed Water Quality Management Plan.

C) ON-PROPERTY SEWER FACILITIES:

- 1) **Irvine Blvd-** Sewer mainline as required from "C" street to just west of "C" street includes laterals, monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping.
- 2) **Marine Way-**Sewer mainline as required between "O" street and Bake Parkway. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 3) **Alton Parkway-** Relocation of the existing 18" sewer mainline within Serrano Creek to Alton Parkway from the southwest corner of the TOD to the intersection of Alton Parkway and Barranca Parkway. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping.
- 4) **Barranca Parkway-**Sewer mainline as required from east of Ada to Alton Parkway includes laterals, monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping. Includes offsite street connection to existing sewer in Mauchly.
- 5) **Rockfield Blvd-** Sewer mainline as required from existing Rockfield Blvd to Marine Way. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, connection to downstream facilities and replacement of existing pavement and striping.
- 6) **"TOD-1" Sewer north of railroad tracks -** Sewer mainline as required from Sewer Reach "B", adjacent to and parallel with the north side of the railroad tracks, to "F" street. Includes all-weather access, laterals, monitoring manholes, manholes, and connection to downstream facilities.
- 7) **"TOD-2"** Sewer mainline as required from "TOD-1" to Marine Way. Includes laterals, monitoring manholes, manholes, and connection to downstream facilities.
- 8) **"O" Street-** Sewer mainline as required. Includes all-weather access, laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 9) **Trabuco Road-** Sewer mainline as required between "O" street and "Y" street. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 10) **"L-V" Street-** Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.

- 11) **Sewer Reach "B" (through OCGP)** - Sewer mainline as required from existing point of connection just south of the railway to "L-V" street. Includes all-weather access, laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 12) **Sewer Reach "A" (south of Marine Way)** - Sewer mainline as required from just south of the railway to Marine Way. Includes all-weather access, laterals, monitoring manholes, manholes, adjusting rims to grade, sleeving and connection to downstream facilities.
- 13) **"A" Street**– Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 14) **"L-Y" Street**– Sewer mainline as required from "O" st to Irv Blvd, Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 15) **"Y" Street**– Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 16) **"X" Street**– Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities
- 17) **"Q" Street** – Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 18) **"T" Street** – Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 19) **"C" Street** – Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 20) **"D" Street** – Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 21) **"E" Street** – Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 22) **"P-E" Street** -Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 23) **"H" Street**– Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.

- 24) **“L-Q” Street**– Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.
- 25) **“L-M” Street**–Sewer mainline as required. Includes laterals, monitoring manholes, manholes, adjusting rims to grade, and connection to downstream facilities.

D) ON-PROPERTY DOMESTIC AND RECYCLED WATER FACILITIES:

- 1) **Marine Way**- Domestic and recycled water mains as required from “O” street to Bake Parkway includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, and replacement of existing pavement and striping. Includes recycled water main from a point of connection north of railroad to Marine Way.
- 2) **Barranca Parkway**- Domestic and recycled water facilities as required from east of Ada to east of Alton Parkway includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, replacement of existing pavement and striping.
- 3) **Rockfield Blvd**– Domestic and recycled water mains as required from existing Rockfield Blvd to Marine Way includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, and replacement of existing pavement and striping.
- 4) **“F” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 5) **“O” Street** – Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities, pressure reducing and boosting.
- 6) **Trabuco Road**– Domestic and recycled water mains as required from “O” street to “Y” street includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 7) **“A” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.

- 8) **“Y” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 9) **“X” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 10) **“L-V” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 11) **“T” Street**– Domestic and recycled water mains as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 12) **“P-R” Street**– Domestic water main as required includes tees and mainline stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, and connection to existing facilities.
- 13) **“Q” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 14) **“C” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 15) **“D” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, and pressure reducing.
- 16) **“E” Street**– Domestic water main as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 17) **“P-E” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 18) **“H” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, connection to existing facilities, and replacement of existing pavement and striping.
- 19) **“L-Q” Street**– Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.

- 20) **“L-O” Street**– Domestic water mains as required from the TCA property to “O” street includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.
- 21) **Agua Chinon Fire service line**- Fire service main and appurtenances as required from “E” street to “Q” street per OCFA requirements.
- 22) **Great Park Blvd** - Domestic and recycled water mains as required includes laterals, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, concrete cap, irrigation water service, and connection to existing facilities.

E) ON-PROPERTY LANDSCAPE, AMENITIES, IRRIGATION SYSTEM, AND PLANTINGS IN THE FOLLOWING RIGHT-OF-WAY

- 1) **Marine Way** from “O” street to Bake Parkway.
- 2) **Barranca Parkway** from east of Ada to east of Alton Parkway.
- 3) **Alton Parkway** from south of Marine Way to Barranca Parkway.
- 4) **Rockfield Blvd.** from existing Rockfield to Marine Way.
- 5) **“F” Street**
- 6) **“O” Street (Trabuco to Irvine Blvd)**
- 7) **“O” Street (Trabuco to Marine Way)**
- 8) **Trabuco Road** from “O” street to OCGP.
- 9) **“L-V” Street**
- 10) **“A” Street**
- 11) **“Y” Street**
- 12) **“Q” Street**
- 13) **“T” Street**
- 14) **“X” Street**
- 15) **“P-E” Street**
- 16) **“C” “D” and “E” Street**
- 17) **“Off street Trail”** (in the TOD between Barranca and Alton Parkway)
- 18) **“Off street riding/hiking Trail”** in Park District, north of Irvine Blvd.
- 19) **“Off street riding/hiking Trail”** within the LLD, south of the LLD.
- 20) **“H” Street**
- 21) **“L-Q” Street**
- 22) **Great Park Blvd (median only).**

F) ON-PROPERTY DRY UTILITIES

Facilities include CATV, telephone, electric, gas and may include relocation of regional or transmission lines Including trenching, shading, conduit risers, pullboxes, vaults, hand holes, etc., in the following streets:

- 1) **Marine Way** from "O" street to Bake Parkway.
- 2) **Rockfield Blvd.** from existing Rockfield to Marine Way.
- 3) **"F" Street**
- 4) **"O" Street (Trabuco to Irvine Blvd)**
- 5) **"O" Street (Trabuco to Marine Way)**
- 6) **Trabuco Road** from "O" street to OCGP.
- 7) **"L-V" Street**
- 8) **"A" Street**
- 9) **"Y" Street**
- 10) **"Q" Street**
- 11) **"T" Street**
- 12) **"X" Street**
- 13) **"P-E" Street**
- 14) **"C", "D", and "E" Street**
- 15) **"H" Street**
- 16) **"L-Q" Street**
- 17) **Barranca Parkway** portion of east of Ada to east of Alton Parkway.
- 18) **Great Park Blvd**

G) Wildlife Corridor- Mass excavation for the Wildlife Corridor from Irvine Blvd to Borrego Channel. Improvements include required demolition and Fire service main and appurtenances as required from "P-E" street to Irvine Blvd per OCFA requirements. . (See WLC section as illustrated per the "HF / OCGP Backbone Facility Cross Sections").

H) Runway Demolition – Shall include all services necessary to support and manage runway demolition and recycling services as defined in the Amended and Restated Master Implementation Agreement.