

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Attachment C

PRELIMINARY OFFICIAL STATEMENT DATED JULY __, 2022

NEW ISSUE—BOOK-ENTRY-ONLY

NO RATING

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds described herein is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption "TAX MATTERS" with respect to tax consequences relating to the Bonds.

\$115,100,000*
COMMUNITY FACILITIES DISTRICT NO. 2021-1
OF THE COUNTY OF ORANGE (RIENDA)
SERIES A OF 2022 SPECIAL TAX BONDS

Dated: Delivery Date

Due: August 15, as shown on the inside cover page

This Official Statement describes bonds that are being issued by Community Facilities District No. 2021-1 of the County of Orange (Riende) (the "District"). The Community Facilities District No. 2021-1 of the County of Orange (Riende) Series A of 2022 Special Tax Bonds (the "Bonds") are being issued by the District to (a) pay the costs of forming the District; (b) pay the cost of and expense of acquisition and construction of certain facilities authorized to be financed under the Act (as defined below) and required in connection with the development of the District; (c) fund a reserve account securing the Bonds; (d) pay costs of issuance of the Bonds and (e) make an initial deposit to the Administrative Expense Account.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 et seq. of the Government Code of the State of California) (the "Act"), and pursuant to Resolution No. 22-__ adopted by the Board of Supervisors of the County of Orange (the "County"), acting as the legislative body of the District and a Bond Indenture, dated as of August 1, 2022 (the "Indenture"), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The Bonds are limited obligations of the District and are payable solely from revenues derived from certain annual Special Taxes (as defined herein) to be levied on and collected from the owners of parcels within the District subject to the Special Taxes and from certain other funds pledged under the Indenture, all as further described herein. The Special Taxes are to be levied according to the rate and method of apportionment approved by the Board of Supervisors of the County and the qualified electors within the District. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes." The Board of Supervisors of the County is the legislative body of the District.

The Bonds are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the Bonds may be made in principal amounts of \$5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. Interest on the Bonds will be payable semiannually on each February 15 and August 15, commencing February 15, 2023. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS — General Provisions" and APPENDIX H — "BOOK-ENTRY ONLY SYSTEM" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY OF ORANGE, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE COUNTY OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES TO BE LEVIED IN THE DISTRICT AND CERTAIN OTHER AMOUNTS HELD UNDER THE BOND INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The Bonds are subject to optional redemption, extraordinary redemption from prepaid Special Taxes, and mandatory sinking fund redemption prior to maturity as set forth herein. See "THE BONDS — Redemption" herein.

THE BONDS ARE NOT RATED BY ANY RATING AGENCY, AND INVESTMENT IN THE BONDS INVOLVES SIGNIFICANT RISKS THAT ARE NOT APPROPRIATE FOR CERTAIN INVESTORS. CERTAIN EVENTS COULD AFFECT THE ABILITY OF THE DISTRICT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE. SEE THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED "SPECIAL RISK FACTORS" FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by the Underwriters, subject to approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, and subject to certain other conditions. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California is serving as Disclosure Counsel to the District with respect to the Bonds. Certain legal matters will be passed on for the County and the District by the Office of the County Counsel, and for the Underwriters by Best Best & Krieger LLP, Riverside, California, as counsel to the Underwriters. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about August __, 2022.

[PIPER SANDLER LOGO]

[RBC LOGO]

Dated: August __, 2022

* Preliminary subject to change.

\$115,100,000*
COMMUNITY FACILITIES DISTRICT NO. 2021-1
OF THE COUNTY OF ORANGE (RIENDA)
SERIES A OF 2022 SPECIAL TAX BONDS

MATURITY SCHEDULE

Base CUSIP No.†:

Serial Bonds

<i>Maturity Date</i> <i>(August 15)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP No.†</i>
--	-----------------------------------	----------------------	--------------	--------------	-------------------

Term Bonds

\$ _____ % Term Bonds due August 15, 20__, Yield: _____ % Price: _____ CUSIP No.† _____

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the County, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

**COUNTY OF ORANGE
STATE OF CALIFORNIA**

**BOARD OF SUPERVISORS
Serving as the Legislative Body of
Community Facilities District No. 2021-1
of the County of Orange (Rienda)**

Doug Chafee (Fourth District), Chair
Donald P. Wagner (Third District), Vice Chair
Andrew Do (First District)
Katrina Foley (Second District)
Lisa Bartlett (Fifth District)

COUNTY OFFICIALS

Frank Kim, County Executive Officer
Shari L. Freidenrich, Treasurer-Tax Collector
Frank Davies, CPA, Auditor-Controller
Leon J. Page, County Counsel

BOND COUNSEL AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth,
a Professional Corporation,
Newport Beach, California

MUNICIPAL ADVISOR

CSG Advisors Incorporated
San Francisco, California

SPECIAL TAX CONSULTANT

DTA, Inc.
Newport Beach, California

REAL ESTATE APPRAISER

Integra Realty Resources
Rocklin, California

MARKET ABSORPTION ANALYST

Empire Economics, Inc.
Capistrano Beach, California

TRUSTEE

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

Attachment C

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

This Official Statement is not to be construed as a contract with the purchasers or owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of fact. This Official Statement, including any supplement or amendment to this Official Statement, is intended to be deposited with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org.

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

The Underwriters have provided the following sentence for inclusion in this Official Statement:

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

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "THE COMMUNITY FACILITIES DISTRICT" and "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COUNTY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

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

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

INTRODUCTION	1
The District	1
Property Ownership and Development Status	3
Forward Looking Statements	4
Sources of Payment for the Bonds	4
Appraisal Report	6
Description of the Bonds.....	6
Tax Exemption.....	7
Professionals Involved in the Offering	7
Continuing Disclosure.....	8
Bond Owners' Risks	8
Other Information	8
ESTIMATED SOURCES AND USES OF FUNDS	9
THE BONDS	9
General Provisions	9
Debt Service Schedule	10
Redemption	10
Registration, Transfer and Exchange	13
SOURCES OF PAYMENT FOR THE BONDS	13
Limited Obligations	13
Special Taxes	14
Reserve Account of the Special Tax Fund.....	20
Surplus Fund.....	21
Issuance of Parity Bonds for Refunding Only	21
Teeter Plan	22
THE COMMUNITY FACILITIES DISTRICT	23
General Description of the District	23
Description of Authorized Facilities	25
Direct and Overlapping Indebtedness	26
Expected Tax Burden.....	27
Market Absorption Study.....	27
Appraisal Report	28
Appraised Value-To-Lien Ratios	30
Largest Taxpayers.....	33
Delinquency History	34
PROPERTY OWNERSHIP AND THE DEVELOPMENT	34
General Description of the Development.....	34
The Developer.....	35
The Development.....	36
Merchant Builders in the Development	39
SPECIAL RISK FACTORS	49
Risks of Real Estate Secured Investments Generally.....	49
Concentration of Ownership	49
Increasing Mortgage Interest Rates.....	50
Limited Obligations	50
COVID-19 (Coronavirus) Pandemic.....	50
Insufficiency of Special Taxes.....	51
Teeter Plan Termination.....	52
Failure to Develop Properties	52
No Representation as to Merchant Builders.....	54

Attachment C

Natural Disasters	54
Endangered/Threatened Species	55
Hazardous Substances.....	55
Payment of the Special Tax is not a Personal Obligation of the Property Owners	56
Property Values.....	56
Parity Taxes and Special Assessments.....	57
Disclosures to Future Purchasers	57
Special Tax Delinquencies.....	57
FDIC/Federal Government Interests in Properties.....	58
Bankruptcy and Foreclosure	59
No Acceleration Provision	60
Loss of Tax Exemption.....	60
Limited Secondary Market.....	60
Proposition 218	61
Litigation with Respect to Community Facilities Districts	62
Ballot Initiatives.....	63
Limitations on Remedies	63
Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds	63
Cybersecurity	64
CONTINUING DISCLOSURE.....	65
District Continuing Disclosure.....	65
Developer Continuing Disclosure	65
TAX MATTERS.....	66
LEGAL MATTERS.....	67
VALIDATION.....	68
ABSENCE OF LITIGATION	68
NO RATING	68
UNDERWRITING	68
FINANCIAL INTERESTS.....	69
PENDING LEGISLATION.....	69
ADDITIONAL INFORMATION.....	69
APPENDIX A RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.....	A-1
APPENDIX B APPRAISAL REPORT	B-1
APPENDIX C FORM OF OPINION OF BOND COUNSEL.....	C-1
APPENDIX D GENERAL INFORMATION CONCERNING THE REGION.....	D-1
APPENDIX E SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE.....	E-1
APPENDIX F FORM OF CONTINUING DISCLOSURE CERTIFICATE OF THE DISTRICT	F-1
APPENDIX G FORM OF CONTINUING DISCLOSURE AGREEMENT OF RMV PA3 DEVELOPMENT, LLC	G-1
APPENDIX H BOOK-ENTRY ONLY SYSTEM	H-1
APPENDIX I SAMPLE PROPERTY TAX BILLS.....	I-1
APPENDIX J MARKET ABSORPTION STUDY	J-1
APPENDIX K RMV PA3 DEVELOPMENT, LLC UNAUDITED FINANCIAL INFORMATION	K-1

[INSERT COLOR REGIONAL MAP HERE]

[INSERT AERIAL PHOTO HERE]

\$115,100,000*
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
OF THE COUNTY OF ORANGE
SERIES A OF 2022 SPECIAL TAX BONDS

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the table of contents and the appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by Community Facilities District No. 2021-1 of the County of Orange (Rienda) (the “District”) of its Series A of 2022 Special Tax Bonds (the “Bonds”) in the aggregate principal amount of \$115,100,000*. The proceeds of the Bonds will be used to (a) pay the cost of forming the District; (b) pay the cost of and expense of acquisition and construction of certain facilities authorized to be financed under the Act (as defined below) and required in connection with the development of the District; (c) fund a reserve account securing the Bonds; (d) pay costs of issuance of the Bonds and (e) make an initial deposit to the Administrative Expense Account (as defined herein). See “ESTIMATED SOURCES AND USES OF FUNDS.”

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California) (the “Act”), and pursuant to Resolution No. 22-___ adopted by the Board of Supervisors of the County (the “Board of Supervisors”), acting as the legislative body of the District on July 19, 2022 and a Bond Indenture dated as of August 1, 2022 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The Bonds are secured under the Indenture by a pledge of and lien upon Net Taxes (as defined herein) levied on parcels within the District and all moneys in the Special Tax Fund (other than the Administrative Expense Account therein) as described in the Indenture. See “SOURCES OF PAYMENT FOR THE BONDS.”

The Bonds are being issued and delivered pursuant to the provisions of the Act and the Indenture. The Bonds are being sold pursuant to a Bond Purchase Agreement between the Underwriters and the District. For more complete information, see “THE BONDS — General Provisions” and “UNDERWRITING” herein.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — DEFINITIONS” herein.

The District

General. The District is located in the southern portion of the County of Orange (the “County”) northeast of the intersection of Los Patrones Parkway and Cow Camp Road. The District consists of approximately 113 gross acres. Approximately 64 acres of property in the District are expected to be subject to the Special Tax (as defined herein) at build-out. The property within the District which is not subject to the levy of the Special Tax consists primarily of open space/conservation property and property owned by the owners association and public property. RMV PA3 Development, LLC, a Delaware limited liability company

* Preliminary, subject to change.

(the “Developer”) is the master developer of property in the District. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT.”

Formation Proceedings. The District was formed by the County pursuant to the Act and constitutes a governmental entity separate and apart from the County.

The Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, on October 19, 2021, the Board of Supervisors adopted Resolution No. 21-118 (the “Resolution of Intention”), stating its intention to form the District and to authorize the levy of a special tax on the taxable property within the District. On October 19, 2021, the Board of Supervisors also adopted Resolution No. 21-119, stating its intention to incur bonded indebtedness in an aggregate principal amount not to exceed \$165,000,000 for the purpose of financing the acquisition, construction, expansion, improvement, or rehabilitation of certain public facilities to serve the area within the District and its neighboring areas. See “THE COMMUNITY FACILITIES DISTRICT — Description of Authorized Facilities.”

Subsequent to a noticed public hearing, the Board of Supervisors adopted Resolution Nos. 21-135 and 21-136 on November 23, 2021 (the “Resolution of Formation” and the “Resolution to Incur Debt,” respectively) which established the District, authorized the levy of a special tax within the District, determined the necessity to incur bonded indebtedness within the District, and called an election within the District on the proposition of incurring bonded indebtedness, levying a special tax and setting an appropriations limit within the District.

On November 23, 2021, an election was held within the District at which the landowners eligible to vote approved the issuance of bonds for the District in an amount not to exceed \$165,000,000. A Notice of Special Tax Lien was recorded in the office of the County Recorder on December 14, 2021 as Document No. 2021000750374. On December 14, 2021, the Board, acting as the legislative body of the District, adopted Ordinance No. 21-014 (the “Ordinance”) which authorizes the levy of a special tax pursuant to the Rate and Method of Apportionment of Special Tax within the District approved at the November 23, 2021 election (the “Rate and Method”), a copy of which is attached hereto as APPENDIX A.

Pursuant to the Act, on December 7, 2021, the Board, acting as legislative body of the District, adopted Resolution No. 21-144, stating its intention to annex certain designated territory to the District upon the unanimous approval of the owners of each parcel to be annexed. Subsequent to a noticed public hearing, the Board, acting as legislative body of the District, adopted Resolution No. 22-008 on January 11, 2022, designating such territory to be annexed to the District upon the unanimous approval of the owners of each parcel to be annexed. On March 8, 2022, the Board, acting as legislative body of the District, adopted Resolution No. 22-028, accepting the unanimous approval of the owners of property to be annexed to the District, and such property has been annexed to the District and is subject to the levy of the Special Tax. An Amended Notice of Special Tax Lien, which amended the Notice of Special Tax Lien described above recorded on December 14, 2021, to include the property so annexed, was recorded in the office of the County Recorder on March 17, 2022 as Document No. 2022000105030.

In accordance with Section H of the Rate and Method, the County caused a price point study dated March 22, 2022 (the “Price Point Study”) to be prepared by Empire Economics, Inc. Capistrano Beach,

California. Based on the Price Point Study, there will not be any changes to the Assigned Special Tax and Backup Special Tax rates (as such terms are defined in the Rate and Method).

Validation Proceedings. On December 22, 2021, the County, acting pursuant to the provisions of Sections 860 et seq. of the California Code of Civil Procedure and Government Code Section 53359, filed a complaint in the Superior Court of the State of California for the County of Orange seeking judicial validation of the formation of the District, the authorization of the issuance of bonds for the District and the levy of the special tax within the District. On June 9, 2022, the court entered a default judgment (the “Validation Judgment”) to the effect, among other things, that the proceedings conducted by the Board of Supervisors in connection with the establishment of the District, the authorization to incur bonded indebtedness for the District through the issuance of bonds and the levy of the Special Tax within the District were valid and in conformity with the Constitution of the State and applicable laws of the State. The last day of the appeal period for the validation action was July 13, 2022. As of the date of this Official Statement, no appeal has been filed with respect to the Validation Judgment. See the section entitled “VALIDATION” herein for additional information regarding the legal effects of the Validation Judgment.

Property Ownership and Development Status

The District encompasses a portion of the Rienda development (“Rienda”), which is a portion of the third phase of development of the Rancho Mission Viejo Ranch Plan Planned Community. The Rancho Mission Viejo Ranch Plan Planned Community is a 22,815-acre master planned community, which when complete will consist of the final build-out of Rancho Mission Viejo. Other Rancho Mission Viejo projects within the County have included the City of Rancho Santa Margarita, Ladera Ranch, Las Flores, Sendero and Esencia. Development within the District is the first phase of development in Rienda.

The development within the District is planned for eleven for-sale residential projects consisting of 950 residential units (805 of which are expected to be market-rate units and 145 of which are expected to be age-qualified units) and an assisted living facility of approximately 605,000 square feet, all of which will be subject to the Special Tax. The balance of the property within the District is anticipated to be used for recreational facilities, parks and open space/conservation property and property owned by the owners association and public property.

All property planned for residential development in the eleven for-sale projects is either under contract to or has been conveyed by the Developer to merchant builders. Such merchant builders are Lennar Homes of California, LLC (“Lennar”), TRI Pointe Homes Holdings, Inc. (“TRI Pointe Homes”), Meritage Homes of California, Inc. (“Meritage”), Pulte Home Company, LLC (“Pulte”) and TH Rancho Mission Viejo MR45 LLC (“Trumark”) (or their homebuilding subsidiaries and divisions, as further described herein). The two developments totaling 145 units planned for age-qualified for residents age 55 or older have been sold to Lennar. The property planned for the assisted living facility is owned by RMV Rienda Senior Housing, LLC, which is an affiliated entity of the Developer. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT — Merchant Builders in the Development.”

The development in the District is planned to occur in two phases, with the development in the second phase expected to trail the first phase by approximately six months. The first phase of development is planned to include seven of the 11 for-sale residential developments (totaling 671 for-sale residential units at buildout). The area in the first phase has been graded and major infrastructure (sewer, water, storm drains, utilities, and arterial roads) to be installed by the Developer within the first phase of development has been substantially completed. The public grand opening for the for-sale homes in the first phase occurred in April 2022. As of April 14, 2022, all of the merchant builders within the first phase of development had commenced vertical construction of their projects, and as of such date, there were 22 completed model homes and 90 production homes under construction within the District. As of such date, no homes had been conveyed to individual homeowners, however, certain merchant builders had homes which were in escrow to be sold to individual homeowners.

The area within the second phase of development in the District is planned for four residential projects totaling 279 for-sale homes (145 of which are planned to be age-qualified). Grading of the property in the second phase of development in the District is complete. Remaining backbone infrastructure required for the second phase of development in the District includes roadways and traffic improvements, park improvements and landscaping.

As of April 14, 2022, 118 building permits have been issued for the 950 planned residential units within the District, including building permits for 25 of the 39 planned model homes. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT” herein.

In addition to the for-sale residential developments described above, the District is planned to include a senior assisted living facility of approximately 605,000 square feet. The Developer expects such facility to be complete in the fourth quarter of 2023 and for operations to begin shortly thereafter. The property on which the planned senior assisted living facility will be located is subject to the Special Tax.

In 2021, the Developer started pre-opening marketing efforts for the Rienda development, including advertising and creating a website. The Developer has continued to market the Rienda development as new homes within the District are developed by the merchant builders. As of May 2022, the Developer represents that over 13,000 people have signed up to be on the interest list for homes in the District. As of June 5, 2022, 147 homes in the District have been released for sale, 142 of which were in escrow or reserved.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a “plan,” “expect,” “estimate,” “project,” “budget” or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the captions “THE COMMUNITY FACILITIES DISTRICT,” “PROPERTY OWNERSHIP AND THE DEVELOPMENT” and APPENDIX B — “APPRAISAL REPORT.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Sources of Payment for the Bonds

General. The Bonds and any Parity Bonds (as defined herein) are limited obligations of the District, and the interest on and principal of and redemption premiums, if any, on the Bonds and any Parity Bonds are payable solely from the Special Taxes to be levied annually against the property in the District, or, to the extent necessary, from the moneys on deposit in the Reserve Account. As described herein, the Special Taxes are collected along with *ad valorem* property taxes on the tax bills mailed by the Treasurer-Tax Collector of the County. Although the Special Taxes will constitute a lien on the property subject to taxation in the District, they will not constitute a personal indebtedness of the owners of such property. There is no assurance that such owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if they are financially able to do so.

Limited Obligations. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds and any Parity Bonds. The Bonds and any Parity Bonds are not general or special obligations of the County nor general obligations of the District, but are special obligations of the District payable solely from Special Taxes and amounts held under the Indenture as more fully described herein.

Special Tax. As used in this Official Statement, the term “Special Tax” is that tax which has been authorized pursuant to the Act to be levied against certain land within the District pursuant to the Act and in accordance with the Rate and Method, but excluding penalties and interest imposed upon delinquent installments. See “SOURCES OF PAYMENT FOR THE BONDS — Special Taxes” and APPENDIX A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” Under the Indenture, the District will pledge to repay the Bonds and any Parity Bonds from the Special Tax revenues remaining after the payment of certain annual Administrative Expenses of the District (the “Net Taxes”) and from amounts on deposit in the Special Tax Fund (other than the Administrative Expense Account therein) established under the Indenture.

The Special Taxes are the primary security for the repayment of the Bonds and any Parity Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds and any Parity Bonds are amounts held by the Trustee in the Special Tax Fund, including amounts held in the Reserve Account therein. See “SOURCES OF PAYMENT FOR THE BONDS — Reserve Account of the Special Tax Fund.”

Foreclosure Proceeds. The District will covenant in the Indenture for the benefit of the owners of the Bonds and Parity Bonds that, except as set forth in the following paragraph, that (1) with respect to property other than Multi-Unit For-Rent Property that is located within Zone 6 of the District, it will commence judicial foreclosure proceedings against parcels which are delinquent in payment of four or more installments of Special Taxes by the October 1 following the close of the Fiscal Year in which the fourth delinquent installment of Special Taxes were due and will commence judicial foreclosure proceedings against all such parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied on such parcels; and (2) with respect to Multi-Unit For-Rent Property located within Zone 6, it will commence judicial foreclosure proceedings against such parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which such Special Taxes were due, and, in each case, diligently pursue to completion such foreclosure proceedings.

“Multi-Unit For-Rent Property” is defined in the Indenture as Assessor’s Parcels for which building permits have been issued for dwelling units located in a building or buildings comprised of dwelling units available for rent, but not purchase, by the general public and under common management.

“Zone 6” means the geographic area within the District designated as Zone 6 in the recorded boundary map for the District and is the site currently planned for the assisted living facility.

Notwithstanding the foregoing, the Indenture will provide that the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Account is at least equal to the Reserve Requirement. The District may, but shall not be obligated to, advance funds from any source of legally available funds in order to maintain the Reserve Account at the Reserve Requirement or to avoid a default in payment on the Bonds and any Parity Bonds. Fiscal Year 2022-23 will be the first year of the Special Tax levy and the first installment of Special Tax payments will not be delinquent until December 11, 2022. See “SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*” herein and APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — COVENANTS AND WARRANTY — Covenants — Commence Foreclosure Proceedings.” There is no assurance that the property within the District can be sold at foreclosure for the appraised value described herein, or for a price sufficient to pay the principal of and interest on the Bonds in the event of a default in payment of Special Taxes by the current landowner or future landowners within the District. See “SPECIAL RISK FACTORS — Land Values” and APPENDIX B — “APPRAISAL REPORT” herein.

The District participates in the County's Teeter Plan (as defined herein). See "SOURCES OF PAYMENT FOR THE BONDS — Teeter Plan" and "SPECIAL RISK FACTORS — Teeter Plan Termination."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE SPECIAL TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE COUNTY OR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES AND CERTAIN AMOUNTS HELD UNDER THE BOND INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Parity Bonds and Liens. Under the terms of the Indenture, the District may issue additional bonds secured by the Net Taxes on a parity with the Bonds ("Parity Bonds") to refund Outstanding Bonds and Parity Bonds, if certain conditions are met. See "SOURCES OF PAYMENT FOR THE BONDS — Issuance of Parity Bonds for Refunding Only." Parity Bonds may be issued by means of a supplemental indenture and without any requirement for the consent of any Bond owners. See APPENDIX E — "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — DEFEASANCE AND PARITY BONDS." Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes have been levied and may also be levied in the future on the property within the District which could adversely affect the willingness of the landowners to pay the Special Taxes when due. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments" herein.

Appraisal Report

An MAI appraisal of the land and existing improvements within the District was prepared by Integra Realty Resources, Sacramento, California (the "Appraiser"). The appraisal is dated May 26, 2022, and entitled "Appraisal of Real Property Community Facilities District No. 2021-1 of the County of Orange (Rienda)," (the "Appraisal Report"). See APPENDIX B — "APPRAISAL REPORT." The Appraisal Report provides an estimate of the approximate market value of the property in the District subject to the levy of Special Taxes, assuming development of the property as currently planned. As currently planned, development in the District will consist of 950 residential units (including 145 age-qualified units). As of April 14, 2022, the Appraiser estimates that the market value of all of the parcels within the District subject to the Special Tax was \$385,930,000.

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in APPENDIX B. The District makes no representation as to the accuracy of the Appraisal Report. See "THE COMMUNITY FACILITIES DISTRICT — Appraisal Report" and "— Appraised Value-to-Lien Ratios." There is no assurance that property within the District can be sold for the prices set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to pay the Special Tax for that parcel in the event of a default in payment of Special Taxes by the land owner. See "THE COMMUNITY FACILITIES DISTRICT," "SPECIAL RISK FACTORS — Land Values" and APPENDIX B — "APPRAISAL REPORT" herein.

Description of the Bonds

The Bonds will be issued and delivered as fully registered Bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry-only system described herein is no longer used with

respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See APPENDIX H — “BOOK-ENTRY ONLY SYSTEM.”

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal and interest by the Trustee, all as described in the Indenture. See APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — GENERAL AUTHORIZATION AND BOND TERMS — Transfers Outside Book-Entry System” herein.

The Bonds are subject to optional redemption, extraordinary redemption, and mandatory sinking fund redemption as described herein. See “THE BONDS — Redemption.” For more complete descriptions of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see “THE BONDS” and APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE” herein.

Tax Exemption

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

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

Professionals Involved in the Offering

U.S. Bank Trust Company, National Association, Los Angeles, California, will act as Trustee under the Indenture. Piper Sandler & Co. and RBC Capital Markets, LLC, are the underwriters (together, the “Underwriters”) of the Bonds. Certain proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel and Disclosure Counsel to the District in connection with the issuance of the Bonds. Certain legal matters will be passed on for the District and the County by the Office of the County Counsel, for the Underwriters by Best Best & Krieger LLP, Riverside, California, as counsel to the Underwriters and for the Trustee by its counsel. Other professional services have been performed by Integra Realty Resources, Inc., Sacramento, California, as the Appraiser, Empire Economics, Inc., Capistrano Beach, California as Market Absorption Consultant, CSG Advisors Incorporated, San Francisco, California as municipal advisor to the County and DTA, Inc., Newport Beach, California, as Special Tax Consultant, and initial dissemination agent under the Developer Continuing Disclosure Agreement, dated as of August 1, 2022, by and between the Special Tax Consultant and the Developer (the “Developer Continuing Disclosure Agreement”).

For information concerning respects in which certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds, see “FINANCIAL INTERESTS” herein.

Continuing Disclosure

The District has agreed to provide, or cause to be provided, pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission (the “Rule”) certain financial information and operating data on an annual basis (the “District Reports”). The District has further agreed to provide, in a timely manner, notice of certain events with respect to the Bonds (the “Listed Events”). These covenants have been made in order to assist the Underwriters in complying with the Rule. The District Reports will be filed with the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board (the “MSRB”) available on the Internet at <http://emma.msrb.org>. Notices of Listed Events will also be filed with the MSRB. The District has not entered into any prior continuing disclosure obligations. The County will assist the District in preparing the District Reports. Within the last five years, the County and certain related entities have failed to comply in certain respects with prior continuing disclosure undertakings.

The Underwriters do not consider the Developer or any of the merchant builders within the District to be an “obligated person” with respect to the Bonds for purposes of the Rule. However, to assist in the marketing of the Bonds, the Developer has agreed to provide, or cause to be provided on EMMA, updated information with respect to the development within the District (the “Developer Reports”), on a semiannual basis and notices of certain events until such undertaking is terminated in accordance with the Developer Continuing Disclosure Agreement (as defined herein).

See “CONTINUING DISCLOSURE” herein and APPENDIX F and APPENDIX G hereto for a description of the specific nature of the annual reports to be filed by the District and the Developer and notices of Listed Events and a copy of the continuing disclosure undertakings pursuant to which such Reports are to be made.

Bond Owners’ Risks

Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The Bonds are not rated by any nationally recognized rating agency. The purchase of the Bonds involves significant risks, and the Bonds may not be appropriate investments for certain investors. See “SPECIAL RISK FACTORS” herein.

Other Information

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

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

Copies of the Indenture, the Appraisal Report and other documents and information are available for inspection and (upon request and payment to the District of a charge for copying, mailing and handling) for delivery from the Clerk of the Board of Supervisors’ office at 333 West Santa Ana Boulevard, Santa Ana, California 92702.

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds:

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

Uses of Funds:

Acquisition and Construction Fund ⁽¹⁾	\$
Administrative Expense Account	
Costs of Issuance ⁽²⁾	
Reserve Account	
Total Uses	\$ <u><u> </u></u>

⁽¹⁾ Acquisition and Construction Fund includes the Project Facilities Account, the Fire Facilities Account, the School Facilities Account and the Water Facilities Account.

⁽²⁾ Includes Underwriters' Discount, Bond Counsel fees, Disclosure Counsel Fees, Special Tax Consultant fees, Municipal Advisor fees, Trustee fees, printing costs and other issuance costs.

Source: The Underwriters.

THE BONDS

General Provisions

The Bonds will be dated as of their date of delivery and will bear interest at the rates per annum set forth on the inside cover page hereof, payable semiannually on each February 15 and August 15, commencing on February 15, 2023 (each, an "Interest Payment Date"), and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement.

Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such date of authentication is an Interest Payment Date, in which event interest will be payable from such date of authentication; (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest will be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date, in which event interest will be payable from the date of the Bonds; provided, however, that if at the time of authentication of a Bond, interest is in default, interest on that Bond will be payable from the last Interest Payment Date to which the interest has been paid or made available for payment.

As used herein, Record Date means the first day of the month in which any Interest Payment Date occurs, regardless of whether such day is a Business Day.

Interest on any Bond will be paid to the person whose name appears in the Bond Register as the Owner of such Bond as of the close of business on the Record Date. In the event the Bonds are not held in book-entry form, such interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, to the Bondowner at its address on the Bond Register. In addition, with respect to any Bonds owned by the District and upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds, payment will be made by wire transfer in immediately available funds to an account designated by such Owner.

Principal of the Bonds and any premium due upon redemption is payable upon presentation and surrender of the Bonds at the principal corporate trust office of the Trustee in Los Angeles, California.

Attachment C

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

Debt Service Schedule

The following table presents the annual debt service on the Bonds (including mandatory sinking fund redemption), assuming there are no optional or extraordinary redemptions. See "SOURCES OF PAYMENT FOR THE BONDS" and "THE BONDS — Redemption."

<i>Date</i> <i>(August 15)</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
-----------------------------------	------------------	-----------------	--------------

Source: The Underwriters.

Redemption

Optional Redemption. The Bonds maturing on or after August 15, 20__ may be redeemed, at the option of the District from any source of funds on any date on or after August 15, 20__, in whole, or in part

from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Dates</i>	<i>Redemption Price</i>
August 15, 2029 through and including August 14, 2030	103%
August 15, 2030 through and including August 14, 2031	102
August 15, 2031 through and including August 14, 2032	101
August 15, 2032 and any date thereafter	100

Extraordinary Redemption from Special Tax Prepayments. The Bonds are subject to extraordinary redemption as a whole or in part, on any Interest Payment Date on and after February 15, 2023, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account plus amounts transferred from the Reserve Account to the Redemption Account pursuant to the Indenture, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Dates</i>	<i>Redemption Price</i>
February 15, 2023 through and including February 15, 20__	103%
August 15, 20__ and February 15, 20__	102
August 15, 20__ and February 15, 20__	101
August 15, 20__ and each Interest Payment Date thereafter	100

Prepayments and amounts released from the Reserve Account in connection with Prepayments will be allocated to the payment at maturity and redemption of Bonds and any Parity Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds. Amounts allocated to the redemption of the Bonds shall be applied to redeem Bonds maturing on and after August 15, 2023 and Parity Bonds as nearly as practicable on a pro rata basis among maturities in increments of \$5,000; provided, however, that, for Prepayments of less than \$50,000, the District may specify in a Certificate of an Authorized Representative that Prepayments be applied to one or more maturities of the Bonds or Parity Bonds so long as there is delivered to the Trustee a Certificate of the Special Tax Consultant that, following such application of the Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year on Taxable Property is not less than 110% of Annual Debt Service in the Bond Year that begins in such Fiscal Year.

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

Mandatory Sinking Fund Redemption. The Term Bonds maturing on August 15, 20__ (the “20__ Term Bonds”) shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Principal Account, on August 15, 20__, and on each August 15 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

***Sinking Fund Redemption Date
(August 15)***

Sinking Fund Payments

The Term Bonds maturing on August 15, 20__ (the “20__ Term Bonds” and together with the 20__ Term Bonds, the “Term Bonds”) shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Principal Account, on August 15, 20__, and on each August 15 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

***Sinking Fund Redemption Date
(August 15)***

Sinking Fund Payments

In the event of a partial optional redemption or extraordinary redemption of Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis, in integral multiples of \$5,000.

Notice of Redemption. So long as the Bonds are held in book-entry form, the Beneficial Owners will not be mailed any notice of redemption by the Trustee. It is the responsibility of DTC Participants to provide such notice. See APPENDIX H — “BOOK-ENTRY ONLY SYSTEM.” The Trustee is obligated to provide at least 30 days but not more than 45 days prior to the date of redemption, notice of intended redemption, by first-class mail, postage prepaid, to the respective registered owners of the Bonds at the addresses appearing on the Bond registration books; provided, however, so long as the Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. The notice of redemption must: (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds selected for redemption, except that where all of the Bonds are subject to redemption, or all the Bonds of one maturity are to be redeemed, the bond numbers of such issue need not be specified; (ii) state the date fixed for redemption and surrender of the Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the Bonds are to be redeemed; (v) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed; (vi) state the date of issue of the Bonds as originally issued; (vii) state the rate of interest borne by each Bond being redeemed; and (viii) state any other descriptive information needed to identify accurately the Bonds being redeemed as shall be specified by the Trustee. Such notice must further state that on the date fixed for redemption, there will become due and payable on each Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon will cease to accrue and be payable.

So long as notice of redemption has been provided as set forth in the Indenture, the actual receipt by the owner of any Bond of notice of such redemption is not a condition precedent to redemption, and neither the

failure to receive such notice nor any defect therein will affect the validity of the proceedings for redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Any redemption notice for an optional redemption of the Bonds delivered in accordance with the Indenture may be conditional, and, if any condition stated in the redemption notice has not been satisfied on or prior to the redemption date: (i) the redemption notice will be of no force and effect, (ii) the District will not be required to redeem such Bonds, (iii) the redemption will not be made, and (iv) the Trustee will within a reasonable time thereafter give notice to the persons to whom such conditional redemption notice was given in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Effect of Redemption. When notice of redemption has been given, and when the amount necessary for redemption has been made available for that purpose and is available therefor on the date fixed for such redemption, the Bonds designated for redemption will become due and payable on the date fixed for redemption upon presentation and surrender of the Bonds at the place specified in the notice of redemption. Bonds or portions thereof so designated for redemption will be deemed to be no longer Outstanding and such Bonds, or portions thereof, will cease to bear further interest from and after the redemption date. As of the date fixed for redemption no Owner of any of the Bonds or portions thereof so designated for redemption will be entitled to any of the benefits of the Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

Purchase in lieu of Redemption. The Bonds may be purchased by the District in lieu or partially in lieu of redemption of Bonds. See APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — CREATION OF FUNDS AND APPLICATION OF PROCEEDS — Redemption Account of the Special Tax Fund.”

Registration, Transfer and Exchange

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

Transfer or Exchange. Whenever any Bond is surrendered for registration of transfer or exchange, the Trustee will authenticate and deliver a new Bond or Bonds of the same maturity, for a like aggregate principal amount of authorized denominations; provided that the Trustee will not be required to register transfers or make exchanges of (i) Bonds for a period of 15 days next preceding the date of any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds are special, limited obligations of the District payable only from amounts pledged under the Indenture and from no other sources.

In the event that the Special Tax revenues are not received when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Trustee in the Special Tax Fund (other than the Administrative Expense Account therein), including amounts held in the Reserve Account therein, for the exclusive benefit of the owners of the Bonds, and foreclosure proceeds resulting from the sale of delinquent parcels if and when available.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER

REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE COUNTY OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES TO BE LEVIED IN THE DISTRICT AND CERTAIN OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Special Taxes

Authorization and Pledge. In accordance with the provisions of the Act, the County established the District on November 23, 2021 for the purpose of financing the various public improvements required in connection with the proposed development within the District. On November 23, 2021, an election was held within the District at which the landowners eligible to vote approved the issuance of bonds for the District in an amount not to exceed \$165,000,000, secured by special taxes levied on property within the District to finance the Facilities. The landowners within the District also voted to approve the Rate and Method which authorized the Special Tax to be levied to repay indebtedness of the District, including the Bonds. On March 8, 2022, additional property was annexed to the District upon the acceptance by the Board of Supervisors of the unanimous consent of the owners of the property annexed. The Assigned Special Tax and Backup Special Tax rates are included in the Rate and Method attached hereto as APPENDIX A.

The District will covenant in the Indenture that it will levy Special Taxes up to the maximum rates permitted under the Rate and Method in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay the principal of and interest on any Outstanding Bonds and any Parity Bonds, to maintain the Reserve Account at the Reserve Requirement and to pay the estimated Administrative Expenses.

The “Special Taxes” are the special taxes authorized to be levied and collected by the District in accordance with the Ordinance, the Resolution of Formation and the Act. The Special Taxes are collected in the manner and at the same time as *ad valorem* property taxes are collected and are subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* property taxes. See APPENDIX A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The “Net Taxes” pledged by the District to secure the repayment of the Bonds (and any Parity Bonds) is defined in the Indenture as the “Gross Taxes” minus amounts permitted to be set aside prior to the payment of the principal of and interest on the Bonds and Parity Bonds in order to pay Administrative Expenses.

“Gross Taxes” is defined in the Indenture as the amount of all Special Taxes received by the District from the Treasurer-Tax Collector, together with all payments made with respect to tax-defaulted parcels (including all delinquent and redemption penalties, fees and costs) and the proceeds collected from the sale of property pursuant to the foreclosure provisions of the Indenture, but excluding any payment of Special Taxes on tax-defaulted parcels, including all delinquent and redemption penalties, fees and costs and the proceeds collected from the sale of property pursuant to the foreclosure provisions of the Indenture, so long as the County has paid to the District the Special Taxes levied for a tax defaulted parcel pursuant to the Teeter Plan (as defined herein).

Except for Prepayments which shall be deposited to the Interest Account, the Principal Account and/or the Redemption Account as specified in the Indenture, the Trustee will, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund. The Trustee will transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the Indenture, in the following order of priority, to:

- (1) The Administrative Expense Account of the Special Tax Fund in an amount needed to pay Administrative Expenses when due (not to exceed the Administrative Expenses Cap);

- (2) The Interest Account of the Special Tax Fund;
- (3) The Principal Account of the Special Tax Fund;
- (4) The Redemption Account of the Special Tax Fund;
- (5) The Reserve Account of the Special Tax Fund;
- (6) The Rebate Fund; and
- (7) The Surplus Fund.

See APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE.”

The Special Taxes levied in any fiscal year may not exceed the maximum rates authorized pursuant to the Rate and Method. See APPENDIX A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX” hereto. There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See the caption “*Limitation on Special Tax Levy and Potential Impact on Coverage*” below and “SPECIAL RISK FACTORS — Insufficiency of Special Taxes” herein.

Rate and Method of Apportionment of Special Tax. The District is legally authorized and will covenant to cause the levy of the Special Taxes in an amount determined according to a methodology, i.e., the Rate and Method which the Board of Supervisors and the electors within the District have approved. The Rate and Method apportions the total amount of Special Taxes to be collected among the taxable parcels in the District as more particularly described below.

The District is comprised of eight tax zone areas (each a “Zone”). The Zones generally coincide with the different product types that are being developed within the District and the different merchant builders that have purchased properties in the District.

The following is a synopsis of the provisions of the Rate and Method for the District, which should be read in conjunction with the complete text of the Rate and Method which is attached as APPENDIX A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” The meaning of the defined terms used in this section are as set forth in APPENDIX A. This section provides only a summary of the Rate and Method, and is qualified by more complete and detailed information contained in the entire Rate and Method attached as APPENDIX A.

Assignment to Land Use Categories. Each Fiscal Year, commencing Fiscal Year 2022-23, all Taxable Property within Zone 1 through 8 of the District shall be classified as Developed Property, Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, Taxable Religious Property, Undeveloped Property or Exempt Welfare Exemption Property, and shall be subject to Special Taxes in accordance with the Rate and Method determined pursuant to Sections C and D of APPENDIX A. The Assigned Special Tax for Residential Property shall be based on the Zone in which the Assessor’s Parcel is located, the number of dwelling units, and the Residential Floor Area of the dwelling units located on the Assessor’s Parcel. The Assigned Special Tax for Non-Residential Property shall be based on the Zone in which the Assessor’s Parcel is located and the Acreage of the Assessor’s Parcel.

The term “Developed Property” is defined in the Rate and Method as, for each Fiscal Year, all Taxable Property, exclusive of Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, and Taxable Religious Property, for which a building permit for new construction was issued prior to January 1 of the prior Fiscal Year.

Exemptions. No Special Tax shall be levied on Conservation Property, Property Owner Association Property, Public Property or Religious Property, so long as the Acreage of Taxable Property in each Zone is at least equal to the Minimum Taxable Acreage as defined in the Rate and Method. As described above under the caption “Special Taxes — *Authorization and Pledge*,” certain property was annexed to the District after the District was formed. As a result of such annexation, the Minimum Taxable Acreage for Zones 5, 7, and 8 are shown in Column D of Table 12 of the Rate and Method. The Minimum Taxable Acreage for all other Zones are shown in Table 11 of the Rate and Method.

Maximum Special Tax, Assigned Annual Special Tax and Backup Special Tax.

Maximum Special Tax. The Maximum Special Tax for each Assessor’s Parcel classified as Developed Property within a particular Zone shall be the greater of (i) the amount derived by application of the Assigned Special Tax for such Zone or (ii) the amount derived by application of the Backup Special Tax for such Zone. The Maximum Special Tax for an Assessor’s Parcel of Undeveloped Property, Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property or Taxable Religious Property within each Zone is shown in Table 10 of the Rate and Method attached as APPENDIX A and ranges from \$61,429 to \$146,770 per Acre for Fiscal Year 2022-23.

Assigned Special Tax. The Fiscal Year 2022-23 Assigned Special Tax for each Land Use Class within each Zone is shown in Tables 1 through 8 of the Rate and Method attached as APPENDIX A. Assigned Special Tax rates have been established for Residential Property and Non-Residential Property in the eight taxable Zones. The number of units projected in each Zone are as follows:

<i>Zone</i>	<i>Projected Residential Development</i>
1	132
2	120
3	177
4	169
5	207
6	-- ⁽¹⁾
7	89
8	<u>56</u>
Total Residential Units	<u>950</u>

⁽¹⁾ Zone 6 includes approximately 10.8 acres (10.58 Taxable Acres) planned for an assisted living facility.

The Assigned Special Tax levied against Developed Property that is Residential Property will generally correlate with the residential square footage of the unit in question. For a detailed description of Assigned Special Taxes for Residential Property in the Zones, see the Rate and Method attached as APPENDIX A.

The Assigned Special Tax levied against Non-Residential parcels of Developed Property within each Zone will generally be determined on a per acre basis. For a detailed description of Assigned Special Taxes for Non-Residential Property that is Developed Property, see the Rate and Method attached as APPENDIX A.

Multiple Land Use Classes. In some instances an Assessor's Parcel may contain both Undeveloped Property and Developed Property. Furthermore, Developed Property may contain more than one Land Use Class. In such cases, the Acreage of the Assessor's Parcel will be allocated between Developed Property and Undeveloped Property based on the portion of the Assessor's Parcel for which building permits had been issued prior to January 1 of the prior Fiscal Year and the portion of the Assessor's Parcel for which building permits had not been issued prior to January 1 of the prior Fiscal Year. The Acreage that is considered Developed Property will be allocated between Residential Property and Non-Residential Property based on the

site plan or other applicable document as determined by the CFD Administrator. The Maximum Special Tax that can be levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax that can be levied on each type of property located on that Assessor's Parcel.

Backup Special Tax. The Fiscal Year 2022-23 Backup Special Taxes are detailed in Table 9 of the Rate and Method attached as APPENDIX A and range from \$61,429 to \$146,770 per Acre.

Annual Increases. On each July 1, commencing on July 1, 2023, the Assigned Special Tax and the Backup Special Tax for Developed Property will be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year. On each July 1, commencing July 1, 2023, the Maximum Special Tax for Undeveloped Property, Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property will be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

Method of Apportionment of Special Tax. Commencing with Fiscal Year 2022-23 and for each following Fiscal Year, the Board of Supervisors shall levy the Special Tax until the amount of Special Taxes levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property for which the Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Conservation Property, Taxable Property Owner Association Property and Taxable Religious Property at up to the Maximum Special Tax for Taxable Conservation Property, Taxable Property Owner Association Property and Taxable Religious Property, as applicable; and

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to the Maximum Special Tax for Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax levied in a Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year as a consequence of delinquency or default by the owner of any other Assessor's Parcel within the District. To the extent that the levy of the Special Tax on Residential Property is limited by the provision in the previous sentence, the levy of the Special Tax on all other Assessor's Parcels shall continue in equal percentages at up to 100% of the Maximum Special Tax.

Prepayment of Annual Special Taxes. The Special Tax obligation for an Assessor's Parcel may be prepaid in full, or in part, provided that the terms set forth under the Rate and Method are satisfied. The Prepayment Amount is calculated based on the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance Amount, Administrative Fees and Expenses and less a

credit for the resulting reduction in the Reserve Requirement for the Bonds (if any) and less capitalized interest (if any), all as specified in Section G of the Rate and Method attached as APPENDIX A. Prepayments of Special Taxes will be applied to effect an extraordinary redemption of Bonds and Parity Bonds. See “THE BONDS — Redemption — *Extraordinary Redemption from Special Tax Prepayments.*”

Estimated Debt Service Coverage. In order to size the Bonds, the District evaluated the maximum Assigned Special Taxes that could be levied based on projected build out. Assuming an Administrative Expense Requirement of \$75,000 (which escalates at 2.00% per Fiscal Year, commencing July 1, 2023) and build out within the District as planned, Net Taxes would not be less than 110% of debt service on the Bonds in each Bond Year which begins in a Fiscal Year. Pursuant to the Rate and Method, and subject to the Maximum Special Taxes prescribed therein and permitted by the Act, the District will only levy Special Taxes in an amount sufficient to achieve the Special Tax Requirement.

While the maximum Special Tax rates, if levied in accordance with the Rate and Method, would produce coverage levels of Net Taxes which are higher than 110% of debt service in certain circumstances, because of the limitations imposed by Section 53321(d) of the Government Code, investors should assume that the maximum amount that could be levied in any Fiscal Year is the amount that would produce Net Taxes equal to 110% of debt service due on the Bonds in the corresponding Bond Year.

Limitation on Special Tax Levy and Potential Impact on Coverage. Pursuant to Section 53321(d) of the Government Code, the Special Tax levied against any Assessor’s parcel for which an occupancy permit for private residential use has been issued shall not be increased as a consequence of delinquency or default by the owner of any other Assessor’s parcel within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the District may not be able to increase the Special Tax levy to the Assigned Special Tax in all years on the property developed with for-sale homes. If developed with an assisted living facility as currently planned, the foregoing limitation will not apply to the approximately 10.8 acres of property (10.58 Taxable Acres) relating to such facility. Subject to the limitations on the District’s ability to levy the necessary amount of Special Taxes as imposed by Section 53321(d) of the Government Code, the District can levy Special Taxes on Undeveloped Property up to the applicable Maximum Special Tax rates to make-up all or a portion of any shortfall in the Special Tax levy.

Collection of Special Taxes. The Special Taxes are levied and collected by the Treasurer-Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes. The District may, however, collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

The County assesses and collects secured and unsecured property taxes for the cities, school districts, and special districts within the County, including the Special Taxes for the District. The delinquency dates for property tax payment are December 10 for the first installment and April 10 for the second installment. Once the property taxes are collected, the County conducts its internal reconciliation for accounting purposes and distributes the County’s share of such taxes (including the Special Taxes) to the County, periodically and typically pursuant to a published schedule. Prior to distribution, the moneys are deposited in an account established on behalf of the County in the Orange County Investment Pool (the “Pool”) which is invested by the County Treasurer. If the County or the Pool were at any time to become subject to bankruptcy proceedings, it is possible that District property taxes held in the Pool (including the Special Taxes), if any, could be temporarily unavailable to the County. The District participates in the County’s Teeter Plan, which is an alternate method for allocating property taxes by counties. A Teeter Plan allows counties to allocate 100 percent of property taxes billed to participating taxing entities in exchange for retaining future delinquent tax payments, penalties and interest.

The District will make certain covenants in the Indenture for the purpose of ensuring that the current maximum Special Tax rates and method of collection of the Special Taxes are not altered in a manner that

would impair the District's ability to collect sufficient Special Taxes to pay debt service on the Bonds and Administrative Expenses when due. First, the District will covenant that, to the extent it is legally permitted to do so, it will not reduce the maximum Special Tax rates and will oppose the reduction of maximum Special Tax rates by initiative where such reduction would reduce the maximum Special Taxes below current levels unless, in connection therewith, (i) the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that, among other things, on the basis of the parcels of land and improvements existing in the District as of the July 1 preceding the reduction, the maximum amount of the Special Tax which may be levied on then existing Developed Property (as defined in the Rate and Method then in effect in the District) in each Bond Year for any Bonds and Parity Bonds Outstanding will equal at least the sum of the estimated Administrative Expenses Cap and 110% of gross debt service in each Bond Year on all Bonds and Parity Bonds to remain Outstanding after the reduction is approved, (ii) the District finds that any reduction made under such conditions will not adversely affect the interests of the Owners of the Bonds and Parity Bonds, and (iii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds. Notwithstanding the foregoing, the District may modify, alter or amend the Rate and Method in any manner so long as such changes do not reduce the maximum Special Taxes that may be levied in each year on Developed Property below the amounts which will equal at least the sum of the Administrative Expenses Cap and 110% of gross debt service in each Bond Year on all Bonds and Parity Bonds Outstanding.

Second, the District will covenant not to permit the tender of Bonds or Parity Bonds in payment of any Special Taxes unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds and Parity Bonds when due. See APPENDIX E — "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE."

Although the Special Taxes constitute liens on taxed parcels within the District, they do not constitute a personal indebtedness of the owners of property within the District. In addition to the obligation to pay Special Taxes, properties in the District are subject to other assessments and special taxes as set forth in Table 2 herein. These other special taxes and assessments are co-equal to the lien for the Special Taxes. Moreover, other liens for taxes and assessments could come into existence in the future in certain situations without the consent or knowledge of the County or the landowners in the District. See "SPECIAL RISK FACTORS — Parity Taxes and Special Assessments" herein. There is no assurance that property owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if financially able to do so, all as more fully described in the section of this Official Statement entitled "SPECIAL RISK FACTORS."

Proceeds of Foreclosure Sales. The proceeds of delinquent Special Taxes received following a judicial foreclosure sale of parcels within the District resulting from a landowner's failure to pay the Special Taxes when due, up to the amount of the delinquent Special Tax lien, are included within the Net Taxes pledged to the payment of principal and interest on the Bonds under the Indenture, except any payment of Special Taxes on tax-defaulted parcels, including all delinquent and redemption penalties, fees and costs and the proceeds collected from the sale of property pursuant to the foreclosure provisions of the Indenture, so long as the County has paid to the District the Special Taxes levied for a tax-defaulted parcel pursuant to the Teeter Plan established by the County.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Tax levied, the Board of Supervisors of the County, as the legislative body of the District, may order that Special Taxes be collected by a superior court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the District will covenant for the benefit of the Owners of the Bonds that (1) with respect to property other than Multi-Unit For-Rent Property that is located within Zone 6 of the District, it will commence judicial foreclosure proceedings against parcels which are delinquent in payment of four or more installments of

Special Taxes by the October 1 following the close of the Fiscal Year in which the fourth delinquent installment of Special Taxes were due and will commence judicial foreclosure proceedings against all such parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied on such parcels; and (2) with respect to Multi-Unit For-Rent Property located within Zone 6, it will commence judicial foreclosure proceedings against such parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which such Special Taxes were due, and, in each case, diligently pursue to completion such foreclosure proceedings.

“Multi-Unit For-Rent Property” is defined in the Indenture as Assessor’s Parcels for which building permits have been issued for dwelling units located in a building or buildings comprised of dwelling units available for rent, but not purchase, by the general public and under common management.

“Zone 6” means the geographic area within the District designated as Zone 6 in the recorded boundary map for the District and is the site currently planned for the assisted living facility.

Notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Account is at least equal to the Reserve Requirement.

See APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — COVENANTS AND WARRANTY” herein.

If foreclosure is necessary and other funds (including amounts in the Reserve Account) have been exhausted, debt service payments on the Bonds could be delayed until the foreclosure proceedings have ended with the receipt of any foreclosure sale proceeds. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions, involvement by agencies of the federal government and other factors beyond the control of the County and the District. See “SPECIAL RISK FACTORS — Bankruptcy and Foreclosure” herein. Moreover, no assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. See “SPECIAL RISK FACTORS — Land Values” herein. Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not impose on the District or the County any obligation to purchase or acquire any lot or parcel of property sold at a foreclosure sale if there is no other purchaser at such sale. The Act provides that, in the case of a delinquency, the Special Tax will have the same lien priority as is provided for *ad valorem* taxes.

Reserve Account of the Special Tax Fund

In order to secure further the payment of principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the Reserve Account an amount equal to the Reserve Requirement and thereafter to maintain in the Reserve Account an amount equal to the Reserve Requirement. The Indenture provides that the amount to be maintained in the Reserve Account as the Reserve Requirement shall, as of any date of calculation, equal the lesser of (i) 10% of the initial principal amount of the Bonds and any Parity Bonds; (ii) the Maximum Annual Debt Service on the then Outstanding Bonds and any Parity Bonds; or (iii) one hundred twenty-five percent (125%) of average annual debt service on the then Outstanding Bonds and any Parity Bonds; provided, however, that the Reserve Requirement shall not increase beyond \$_____, the Reserve Requirement as of the Delivery Date of the Bonds, except upon the issuance of Parity Bonds. As of the date of issuance of the Bonds the Reserve Requirement will be fully funded in the amount of \$_____ from proceeds of the Bonds.

Subject to the limits on the maximum annual Special Tax which may be levied within the District in accordance with the Rate and Method set forth in APPENDIX A, the District will covenant to levy Special Taxes in an amount that is anticipated to be sufficient, in light of the other intended uses of the Special Tax

proceeds, to maintain the balance in the Reserve Account at the Reserve Requirement. Amounts in the Reserve Account are to be applied to (i) pay debt service on the Bonds and any Parity Bonds, to the extent other moneys in the Interest Account and the Principal Account are insufficient therefor; (ii) make any required transfer to the Rebate Fund pursuant to the Indenture; (iii) redeem the Bonds and any Parity Bonds in whole or in part; and (iv) pay the principal and interest due in the final year of maturity of a series of the Bonds and any Parity Bonds. See APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — CREATION OF FUNDS AND APPLICATION OF PROCEEDS — Reserve Account of the Special Tax Fund” herein.

Surplus Fund

After the deposit to the Administrative Expense Account, the payment of principal of and interest on the Bonds and any Parity Bonds when due, transfers to the Redemption Account to pay principal and premium, if any, on Bonds and any Parity Bonds called for redemption, transfers to replenish the Reserve Account to the Reserve Requirement and any required transfers to the Rebate Fund, as soon as practicable after each August 15, and in any event prior to each September 1, the Trustee will transfer all remaining amounts in the Special Tax Fund to the Surplus Fund, other than amounts in the Special Tax Fund which (i) the District has included as being available in the Special Tax Fund in calculating the amount of the levy of Special Taxes for such Fiscal Year pursuant to the Indenture or (ii) amounts are to be transferred to the Acquisition and Construction Fund because such amounts were included in the levy of Special Taxes for the previous Fiscal Year to pay for the acquisition or construction of the Project. Moneys deposited in the Surplus Fund may be applied to pay the principal of, including Sinking Fund Payments, premium, if any, and interest on the Bonds and any Parity Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor, to replenish the Reserve Account to the Reserve Requirement, to pay Administrative Expenses to the extent that the amounts on deposit in the Administrative Expense Account of the Special Tax Fund are insufficient to pay Administrative Expenses, to pay Project Costs, or for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds or any Parity Bonds and may be used by the District for any lawful purpose.

Issuance of Parity Bonds for Refunding Only

The District may issue Parity Bonds, in addition to the Bonds, which shall be secured by a lien on the Net Taxes and amounts on deposit in the Special Tax Fund (other than the Administrative Expense Account) on a parity with the Outstanding Bonds as provided herein. The Parity Bonds may be issued only for the purpose of defeasing and refunding a portion of the Outstanding Bonds or other Parity Bonds, but only if such defeasance and refunding will not result in an increase in Annual Debt Service in any Bond Year. The Parity Bonds shall be issued by means of a Supplemental Indenture and without the consent of any Bondowners, upon compliance with the provisions of the Indenture. The District may issue such Parity Bonds subject to, among others, the following specific conditions:

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

(B) The Supplemental Indenture providing for the issuance of such Parity Bonds shall provide the date and the maturity date or dates of such Parity Bonds; provided that (i) each maturity date shall fall on an August 15, (ii) all such Parity Bonds of like maturity shall be identical in all respects, except as to number, and (iii) fixed serial maturities or Sinking Fund Payments, or any combination thereof, shall be established to provide for the retirement of all such Parity Bonds on or before their respective maturity dates.

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

(1) A certified copy of the Supplemental Indenture authorizing the issuance of such Parity Bonds;

(2) A written request of the District as to the delivery of such Parity Bonds;

(3) An opinion of Bond Counsel and/or County Counsel to the effect that (a) the District has the right and power under the Act to adopt, execute and deliver the Indenture and the Supplemental Indentures relating to such Parity Bonds, and the Indenture and all such Supplemental Indentures have been duly and lawfully executed and delivered by the District, are in full force and effect and are valid and binding upon the District and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights); (b) the Indenture creates the valid pledge which it purports to create of the Net Taxes and other amounts as provided in the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; and (c) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of the Indenture and all Supplemental Indentures thereto and entitled to the benefits of the Indenture and all such Supplemental Indentures, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and the Indenture and all such Supplemental Indentures; and a further opinion of Bond Counsel to the effect that, assuming compliance by the District with certain tax covenants, the issuance of the Parity Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds theretofore issued on a tax exempt basis, or the exemption from State of California personal income taxation of interest on any Outstanding Bonds and Parity Bonds theretofore issued;

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

(5) A certificate from one or more Independent Financial Consultants which, when taken together, certify that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds.

See APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — DEFEASANCE AND PARITY BONDS — Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness.”

Teeter Plan

The District is included in the County's Teeter Plan and, as described below, so long as the Teeter Plan remains in effect with respect to the District, the District will be paid 100% of the amount of Special Taxes levied regardless of whether the County has actually collected the levies. To the extent that the County's Teeter Plan continues in existence and is carried out as adopted, the County's Teeter Plan may help to protect the Owners of the Bonds from the risk of delinquencies in Special Taxes.

In 1949, the California Legislature enacted an alternative method for the distribution of secured property taxes to local agencies. This method, known as the Teeter Plan, is now set forth in Section 4701-4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county acts as “bank” and certain other public agencies and

taxing areas located in the county receive annually the full amount of their share of property taxes on the secured roll, including delinquent property taxes which have yet to be collected. A county benefits from the Teeter Plan by retaining penalties associated with these delinquent taxes when they are paid and the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

To implement a Teeter Plan, the board of supervisors of the county generally must elect to do so by July 15 of the fiscal year in which it is to apply. The Board of Supervisors adopted the Teeter Plan on June 29, 1993 and has elected to include in its Teeter Plan special taxes levied in certain community facilities districts, including the District, on the secured roll.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, opt to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency. See "SPECIAL RISK FACTORS – Teeter Plan Termination." The County has never discontinued the Teeter Plan with respect to any levying agency.

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

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

THE COMMUNITY FACILITIES DISTRICT

General Description of the District

The District is located in the southern portion of the County, northeast of the intersection of Los Patrones Parkway and Cow Camp Road. The land within which the District sits is part of a larger area acquired through a series of Mexican land grants from 1843-1845. The areas conveyed by these land grants included the areas of the County known as the Rancho La Paz, Mission San Juan Capistrano, Rancho Trabuco, Rancho Santa Margarita, and Las Flores (collectively, this property is referred to as the "Ranch"). In 1939, the Ranch was split in two, with representatives of the O'Neill family retaining the portion located in Orange County, and representatives of the Flood family retaining the southern portion located in San Diego County. In 1942, the United States Marine Corps acquired the entire southern portion to expand Camp Pendleton. After World War II, what remained of the historic Ranch encompassed two Orange County parcels, united under the name of Rancho Mission Viejo. These two parcels totaled 52,000 acres.

In 1966, the O'Neill family and its partners established The Mission Viejo Company and embarked on residential development of a 10,000 acre master planned community now known as the City of Mission Viejo. In 1972, The Mission Viejo Company was sold to Philip Morris Inc., which completed the master planned community. Rancho Mission Viejo, the entity established by the O'Neill family and its partners to develop the remaining Ranch land, is responsible for the creation and development of the master planned communities of

Rancho Santa Margarita, Las Flores, and Ladera Ranch. Between the years 2001 and 2009, Rancho Mission Viejo secured all approvals for a comprehensive land use management/operation and open space preservation plan for the remaining 22,815 acres of the family ranch. With these approvals secured, approximately 25% of the Ranch is anticipated to be developed over the next few decades into a new community and the remaining 75% is planned to be set-aside in perpetuity as a permanent habitat reserve covered by a conservation easement to a 501c(3) non-profit corporation known as “The Reserve at Rancho Mission Viejo.” The property within the District is a portion of the Rienda project, which is the third phase of the final development within the Ranch.

The District was formed in 2021 by the Board under the Act to provide for the financing of public improvements to meet the needs of new development. The Developer and the other owners of the property within the District, as the qualified electors of the District, authorized the District to incur bonded indebtedness to finance certain public facilities to meet the needs of new development within the District and approved the Rate and Method for the District and authorized the levy of the Special Tax. In 2022, owners of certain property approved the annexation of such property to the District, which property then became subject to the Special Tax levy of the District.

The District consists of approximately 113 gross acres. Approximately 64 acres of property in the District are expected to be subject to the Special Tax (as defined herein) at build-out. The property within the District which is not subject to the levy of the Special Tax consists primarily of recreational facilities, parks and open space/conservation property, property owned by the owners association and public property.

The development within the District is planned for eleven for-sale residential projects consisting of 950 for-sale residential units (805 of which are expected to be market-rate units and 145 of which are expected to be age-qualified units) and an assisted living facility of approximately 605,000 square feet, all of which will be subject to the Special Tax. The balance of the property within the District is anticipated to be used for recreational facilities, parks and open space/conservation property and property owned by the owners association and public property.

Merchant homebuilders have either acquired or are under contract to acquire all of the land available in the District for residential development. The development in the District is planned to occur in two phases, with the development in the second phase expected to trail the first phase by approximately six months. The first phase of development is planned to include seven of the 11 for-sale residential developments (totaling 671 for-sale residential units at buildout). The area in the first phase has been graded and major infrastructure (sewer, water, storm drains, utilities, and arterial roads) to be installed by the Developer within the first phase of development has been substantially completed. As of April 14, 2022, all of the merchant builders within the first phase of development had commenced vertical construction of their projects, and as of such date, there were 22 completed model homes and 90 production homes under construction within the District. As of such date, no homes had been conveyed to individual homeowners, however, certain merchant builders had homes which were in escrow to be sold to individual homeowners.

The area within the second phase of development in the District is planned for four residential projects totaling 279 for-sale homes (145 of which are planned to be age-qualified). Grading of the property in the second phase of development in the District is complete. Remaining backbone infrastructure required for the second phase of development in the District include roadways and traffic improvements, park improvements and landscaping.

In addition to the for-sale residential developments described above, the District is planned to include a senior assisted living facility of approximately 605,000 square feet. The Developer expects such facility to be complete in the fourth quarter of 2023 and for operations to begin shortly thereafter. The property on which the planned senior assisted living facility will be located is subject to the Special Tax.

Certain offsite backbone infrastructure consisting of finishing of certain roadways, a sewer lift station, a pressure reducing station and certain recycled water lines remain to be completed by the Developer, however, completion of such infrastructure is not required to achieve buildout in the District. The merchant builders are responsible for completing all in-tract improvements within their respective projects. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT.” A detailed description of the status of the construction and ownership as of the date of the Appraisal Report is included in APPENDIX B—“APPRAISAL REPORT.”

Water and sewer service to the property is provided by the Santa Margarita Water District. Electricity is supplied by San Diego Gas and Electric, natural gas is supplied by The Gas Company, police services are provided by the Orange County Sheriff’s Department, fire services are provided by the Orange County Fire Authority, and internet services are provided by various providers.

Description of Authorized Facilities

The expected total cost of the Facilities eligible to be financed with the proceeds of the Bonds, based on the current estimated cost of the Facilities, is approximately \$144,687,805. The facilities authorized to be constructed and acquired by the District with the proceeds of the Bonds consist of certain roadways and roadway improvements, tunnels, regional hiking and biking trails, storm drains and basins, water and wastewater facilities (including, without limitation, domestic and non-domestic water facilities, wells, reservoirs, pipelines, storm and sewer drains and related infrastructure and improvements), wet and dry utilities, bridges and pedestrian bridges, parks, traffic signals, school sites, school facilities and equipment, facilities and equipment relating to fire protection and suppression, sheriffs substations and equipment and library facilities and equipment, and related infrastructure improvements, both onsite and offsite, and appurtenances and appurtenant work in connection with the foregoing (including utility line relocations and electric, gas and cable utilities) (collectively, the “Facilities”).

The estimated cost of the Facilities eligible to be financed with proceeds of the Bonds, based on the current estimated cost of the Facilities, is set forth in Table 1 below. However, the actual cost of the Facilities will depend on various factors, including product mix and the timing of construction within the undeveloped portion of the District, and such costs could be significantly higher. Given that the cost of the Facilities exceeds available proceeds of the Bonds, the costs in excess of available Bond proceeds are expected to be paid for by the Developer.

TABLE 1
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
OF THE COUNTY OF ORANGE
FACILITIES ELIGIBLE TO BE FINANCED
WITH BOND PROCEEDS

<i>Facility Description</i>	<i>Estimated Amount⁽¹⁾</i>	<i>Amount Expended as of April 1, 2022</i>
Onsite and Offsite Facilities and Dry Utilities	\$97,737,805	\$69,059,105
Santa Margarita Water District Facilities	40,576,000	26,585,620
Capistrano Unified School District Facilities	3,374,000	541,000
Orange County Fire Authority Facilities	3,000,000	-
Total Facilities	<u>\$144,687,805</u>	<u>\$96,185,725</u>

⁽¹⁾ Based on the current estimated cost of the Facilities.
Source: The Developer.

Direct and Overlapping Indebtedness

The ability of an owner of land within the District to pay the Special Taxes could be affected by the existence of other taxes imposed upon the property. These other taxes consist of the direct and overlapping debt in the District and are set forth in Table 2 below, (the "Debt Report"), which as of the date of the Debt Report (March 2, 2022) consisted solely of overlapping general obligation debt. The Debt Report sets forth those entities which have issued debt and does not include entities which only levy or assess fees, charges, *ad valorem* taxes or special taxes. See "SAMPLE PROPERTY TAX BILLS" in APPENDIX I for information regarding other entities levying taxes, assessments or other charges on property in the District. The Debt Report includes the principal amount of the Bonds. The Debt Report has been derived from data assembled and reported to the District by DTA, Inc. as of March 2, 2022. None of the District, the County, or the Underwriters have independently verified the information in the Debt Report and do not guarantee its completeness or accuracy.

TABLE 2
COUNTY OF ORANGE
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
DIRECT AND OVERLAPPING DEBT SUMMARY

<i>Overlapping District</i>	<i>Fiscal Year 2021-22 Total Levy</i>	<i>Estimated Levy on Parcels in District⁽¹⁾</i>	<i>Percent of Levy on Parcels in District⁽¹⁾</i>	<i>Total Debt Outstanding⁽²⁾</i>	<i>District Share of Total Debt Outstanding⁽³⁾</i>
Metropolitan Water District	\$164,714,077	\$13,508	0.0082%	\$20,175,000	\$ 1,654
Capistrano Unified SFID No. 1 Series 2001B	2,606,488	14,588	0.5597	3,450,244	19,311
Capistrano Unified SFID No. 1 Series 2012 Refunding	2,406,518	13,469	0.5597	9,565,000	53,534
				Estimated Share of Overlapping Debt Allocable to the District	\$ 74,499
				Plus the Bonds	<u>\$ 115,100,000*</u>
				Estimated Share of Direct and Overlapping Debt Allocable to the District	\$ 115,174,499*

* Preliminary, subject to change.

⁽¹⁾ Estimated levy amount is based on the Fiscal Year 2021-22 *ad valorem* rates multiplied by the appraised value. Actual *ad valorem* amounts in future years will be based on the County assessed values.

⁽²⁾ As of March 2, 2022.

⁽³⁾ Calculated by multiplying the Percent of Levy on Parcels in District column by the Total Debt Outstanding column.

Source: DTA, Inc.

Expected Tax Burden

For Fiscal Year 2022-23, the projected total effective tax rates for all categories of residential units are approximately 1.80% and 2.00% of total projected base sales prices (based on the Price Point Study) for age-qualified units and market-rate units, respectively. See APPENDIX I — “SAMPLE PROPERTY TAX BILLS” attached hereto for sample property tax bills for the average residential unit sizes of each type in the various tax Zones of the District. The actual amounts charged and the effective tax rates may vary and may increase or decrease in future years.

Market Absorption Study

In order to determine the projected absorption of the residential and nonresidential property within the District, the County engaged Empire Economics, Inc. (the “Market Absorption Consultant”) to perform a comprehensive analysis of the product mix characteristics as well as the macroeconomic and microeconomic factors that are expected to influence the absorption of the forthcoming products within the District. In connection therewith, the Market Absorption Consultant delivered its Market Absorption Study dated April 1, 2022 (the “Market Absorption Study”). In the Market Absorption Study, the Market Absorption Consultant concluded, based on statistical comparison of the currently active projects in the Great Park development in the City of Irvine (the only active projects within the vicinity of the District) to the forthcoming projects in the District using their total housing prices (base price plus Special Tax liens) and their sizes of living area, that the absorption prospects for future closings of the 950 for-sale homes in the District are generally favorable.

The Market Absorption Study notes that since July 2020, housing prices in the County have appreciated at a rapid annualized rate (approximately 15%) despite the absence of traditional drivers of housing demand – primarily employment growth. The Market Absorption Study notes that there has been a correlation between the onset of the COVID-19 pandemic and such pace of housing price appreciation in the County. In 2020 and 2021, the level of demand exceed supply, resulting in decreases in housing inventory and an acceleration of increase in home prices.

Based on the relatively high vaccination rate and low infection rate in the County as compared to 2020 and 2021, the Market Absorption Study expects that the economy/society will continue to make substantial progress in recovery from the impacts of the COVID-19 pandemic. As a result, the Market Absorption Study notes that there may be a transition to a more typical demand/supply condition in 2023 as market demand moderates to pre-COVID-19 levels, households return to a more normal pattern of relocating, and traditional drivers of housing market conditions (employment growth and mortgage interest rates) play a more primary role in influencing economic and housing market conditions.

Based on the assumptions and limiting conditions set forth in the Market Absorption Study, the Market Absorption Consultant has estimated the calendar year absorption schedules for the residential projects as follows:

<i>Year</i>	<i>Projected Absorption Schedule</i>
2022	80
2023	282
2024	310
2025	214
2026	<u>64</u>
Total	950

Source: The Market Absorption Consultant.

Based on the assumptions and subject to the limiting conditions set forth in the Market Absorption Study, the Market Absorption Consultant estimates 80 home closings in calendar year 2022. In calendar year 2023, the Market Absorption Consultant estimates 282 home closings, based upon all projects having been on the market for an entire calendar year. The Market Absorption Consultant estimates 310 home closings to occur in 2024 (with all projects having closings in 2024), 214 homes closings to occur in 2025 (with reduced supply/availability as certain projects close-out) and the final 64 home closings to occur in 2026. The Market Absorption Consultant identifies potential risks that could affect the estimated absorption, including further increases in mortgage interest rates and new COVID-19-related issues. See APPENDIX I — “SAMPLE PROPERTY TAX BILLS.” The absorption schedules assumes a grand opening in April 2022 for the seven for-sale residential projects in the first phase of development in the District (which has occurred) and a grand opening in November 2022 for the remaining four for-sale residential projects. A complete copy of the Market Absorption Study is attached hereto as APPENDIX J.

Appraisal Report

The estimated assessed value of the property within the District, as shown on the County’s assessment roll for Fiscal Year 2021-22, is approximately \$35,572,929, which as a result of timing of the County’s determination of the assessed values for Fiscal Year 2021-22, does not reflect the sale of certain of the property in the District to merchant builders and the value of infrastructure improvements that have been constructed and the homes under construction in the District since that time.

As a result of the requirements of Article XIII A of the California Constitution, a property’s assessed value is not necessarily indicative of its market value. In order to provide information with respect to the value of the property within the District, the County engaged Integra Realty Resources, the Appraiser, to prepare the Appraisal Report. The Appraiser has an “MAI” designation from the Appraisal Institute and has prepared numerous appraisals for the sale of land-secured municipal bonds. The Appraiser was selected by the County and has no material relationships with the County, the District, or the owners of the land within the District other than the relationship represented by the engagement to prepare the Appraisal Report. The County instructed the Appraiser to prepare its analysis and report in conformity with County-approved guidelines and the Appraisal Standards for Land Secured Financings published in 1994 and revised in 2004 by the California Debt and Investment Advisory Commission. A copy of the Appraisal Report is included as APPENDIX B — “APPRAISAL REPORT” to this Official Statement.

The purpose of the Appraisal Report was to estimate the aggregate market value by ownership of the fee simple interest of the property subject to the Special Tax in the District. The estimate of market value takes into consideration and assumes the improvements to be funded with the proceeds of the Bonds have been installed and that the development costs provided to the Appraiser by the Developer include all of the costs necessary to bring the subject properties to a finished lot condition. As a result, the value conclusions are based upon a hypothetical condition that the Bonds have been sold with proceeds available for construction of improvements. Subject to the contingencies, assumptions and limiting conditions set forth in the Appraisal Report, the Appraiser concluded that, as of April 14, 2022 (the “Date of Value”), the market value of the Taxable Property within the District was \$385,930,000. Table 3 below shows the market value of the various parcels owned by the Developer and each of the merchant builders as set forth in the Appraisal Report as of the Date of Value.

[Remainder of Page Intentionally Left Blank]

TABLE 3
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
OF THE COUNTY OF ORANGE
SUMMARY OF APPRAISED VALUES

<i>Owner⁽¹⁾</i>	<i>Development Area</i>	<i>Taxable Acreage</i>	<i>Appraised Value</i>
RMV Rienda Senior Housing, LLC	N/A	<u>10.58</u>	<u>\$8,290,000</u>
RMV Rienda Senior Housing, LLC Subtotal		<u>10.58</u>	<u>\$8,290,000</u>
		<i>No. of Units</i>	
Developer	MR-13 ⁽²⁾	64	\$19,798,503
	MR-21 ⁽²⁾	42	14,878,131
	MR-23 ⁽³⁾	42	18,276,874
	MR-41 ⁽²⁾	<u>29</u>	<u>15,751,749</u>
Developer Subtotal		<u>177</u>	<u>\$68,705,257</u>
Merchant Builders:			
Lennar	MR-1	132	\$32,148,603
Lennar	MR-7	120	38,921,639
Lennar	AQ-16	89	29,347,852
Lennar	MR-23	44	20,487,201
Lennar	AQ-22	<u>56</u>	<u>23,214,324</u>
Lennar Subtotal		<u>441</u>	<u>\$144,119,619</u>
TRI Pointe Homes	MR-13	46	\$15,952,422
TRI Pointe Homes	MR-21	41	15,782,657
TRI Pointe Homes	MR-41	<u>32</u>	<u>17,381,237</u>
Tri Pointe Subtotal		<u>119</u>	<u>\$49,116,316</u>
Meritage	MR-16	67	\$25,930,000
Pulte	MR-37	73	42,230,000
Trumark	MR-45	73	47,530,000
Merchant Builders Subtotal		<u>950</u>	<u>\$377,631,192</u>
			<u>\$385,930,000⁽⁴⁾</u>

(1) As of the Date of Value.

(2) Property under contract to be acquired by Tri Pointe Homes.

(3) Property under contract to be acquired by Lennar.

(4) Reflects rounded total of appraised value.

Source: The Appraiser.

In estimating the market value, the Appraiser utilized a sales comparison approach. With respect to the property owned by the merchant builders and the Developer planned for for-sale residential projects, the Appraiser applied a land residual analysis which discounts the revenue from future sales over an estimated absorption period and deducts all related direct and indirect expenses associated with sales of the parcels.

Reference is made to APPENDIX B for a complete list of the assumptions and limiting conditions and a full discussion of the appraisal methodology and the basis for the Appraiser's opinions. In the event that any

of the contingencies, assumptions and limiting conditions are not actually realized, the value of the property within the District may be less than the amount reported in the Appraisal Report. In any case, there can be no assurance that any portion of the property within the District would actually sell for the amount indicated by the Appraisal Report.

The Appraisal Report merely indicates the Appraiser's opinion as to the market value of the property referred to therein as of the date and under the conditions specified therein. The Appraiser's opinion reflects conditions prevailing in the applicable market as of the Date of Value. The Appraiser's opinion does not predict the future value of the subject property, and there can be no assurance that market conditions will not change adversely in the future. See "SPECIAL RISK FACTORS — Land Values."

It is a condition precedent to the issuance of the Bonds that the Appraiser deliver to the District a certification to the effect that nothing has come to the attention of the Appraiser subsequent to the date of the Appraisal Report that would cause the Appraiser to believe that the value of the property in the District is less than the value of the District reported in the Appraisal Report. However, the Appraiser notes that acts and events may have occurred since the date of the Appraisal Report which could result in both positive and negative effects on market value within the District.

The Appraiser has reviewed the merchant builder base prices as of Rienda's April 2022 public grand opening and concluded that those base prices do not cause it to believe that the value of property listed for any owner in Table 3 above would be reduced.

Appraised Value-To-Lien Ratios

Table 4 below incorporates the values assigned to parcels in the Appraisal Report, the estimated principal amount of the Bonds allocable to each category of parcels and the estimated appraised value-to-lien ratios for various categories of parcels based upon land values and property ownership in the District as of April 14, 2022 as set forth in the Appraisal Report. Based on the principal amount of the Bonds, the estimated appraised District-wide value-to-lien ratio including all Taxable Property as of the Date of Value is 3.35*-to-1. Other overlapping debt within the District as of March 2, 2022 totaled \$74,499 and as a result, the appraised value of the Taxable Property within the District to the total principal amount of all direct and overlapping general obligation debt for the District is also approximately 3.35*-to-1. See "— Direct and Overlapping Indebtedness" above. Based on individual ownerships as of April 14, 2022, the appraised value-to-lien ratios vary from a low of 0.74*-to-1 to a high of 7.96*-to-1.

The share of Bonds set forth in Table 4 below is allocated based on each property's share of the estimated Fiscal Year 2022-23 Special Tax levy. In the Annual Reports provided pursuant to the District Continuing Disclosure Certificate, Table 4 will not be updated based on appraised value, but similar information will be provided based on current assessed value. Based on the Fiscal Year 2021-22 assessed value of \$35,572,929, the assessed value-to-lien ratio, taking the total direct and overlapping debt in Table 3 into account, is approximately 0.31 to 1*. As a result of timing of the County's determination of the assessed values for Fiscal Year 2021-22, the assessed value for the District for Fiscal Year 2021-22 does not reflect the sale of certain of the property in the District to merchant builders and the value of infrastructure improvements that have been constructed and the homes under construction in the District since that time.

* Preliminary, subject to change.

TABLE 4
COUNTY OF ORANGE
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
APPRAISED VALUE-TO-LIEN RATIOS

<i>Property Classification / Owner⁽¹⁾</i>	<i>Expected Number of Units/Lots at Buildout⁽²⁾</i>	<i>Fiscal Year 2022-23 Taxable Acreage</i>	<i>Projected District Fiscal Year 2022-23 Special Tax Levy^{(3)*}</i>	<i>County of Orange CFD 2021-1 Bonds Outstanding^{(4)*}</i>	<i>Metropolitan Water District Bonds Outstanding⁽⁵⁾</i>	<i>Capistrano Unified School District SFID Bonds Outstanding⁽⁵⁾</i>	<i>Total Direct and Overlapping Debt*</i>	<i>Appraised Value⁽¹⁾</i>	<i>Appraised Value-to-Lien Ratios*</i>
Developed Property⁽⁶⁾									
Lennar	20	0.74	\$ 107,091	\$ 1,992,864	\$ 42	\$ 1,834	\$ 1,994,739	\$ 9,714,000	4.87
Tri Pointe Homes	7	0.30	42,120	783,814	23	997	784,834	5,281,400	6.73
Meritage	13	0.89	86,123	1,602,669	28	1,213	1,603,910	6,429,000	4.01
Pulte	3	0.27	22,707	422,556	14	636	423,206	3,368,000	7.96
Developed Property Subtotal	43	2.20	\$ 258,041	\$ 4,801,903	\$ 106	\$ 4,680	\$ 4,806,689	\$ 24,792,400	5.16
Undeveloped Property⁽⁶⁾									
<i>Building permit issued as of the Date of Value⁽⁷⁾</i>									
Lennar	55	1.98	\$ 268,291	\$ 4,992,641	\$ 79	\$ 3,466	\$ 4,996,186	\$ 18,363,000	3.68
Tri Pointe Homes	9	0.43	62,843	1,169,454	14	602	1,170,070	3,187,800	2.72
Meritage	5	0.37	46,824	871,344	8	341	871,692	1,805,000	2.07
Pulte	6	0.45	40,763	758,568	14	628	759,211	3,329,200	4.39
Subtotal	75	3.23	\$ 418,721	\$ 7,792,007	\$ 114	\$ 5,037	\$ 7,797,159	\$ 26,685,000	3.42
<i>No Building permit issued as of the Date of Value</i>									
Lennar	366	20.26	\$ 1,850,617	\$ 34,438,263	\$ 497	\$ 21,903	\$ 34,460,664	\$ 116,043,000	3.37
Tri Pointe Homes	103	5.63	633,287	11,784,873	174	7,673	11,792,721	40,650,800	3.45
Meritage	49	3.45	436,637	8,125,406	76	3,340	8,128,822	17,696,000	2.18
Pulte	64	4.45	407,241	7,578,376	152	6,707	7,585,235	35,532,800	4.68
Trumark	73	6.65	608,159	11,317,275	204	8,971	11,326,450	47,530,000	4.20
RMV PA3 Development, LLC ⁽⁸⁾	177	7.83	966,817	17,991,561	295	12,969	18,004,825	68,710,000	3.82
RMV Rienda Senior Housing, LLC	0 ⁽⁹⁾	10.58 ⁽⁹⁾	605,637	11,270,335	36	1,565	11,271,935	8,290,000	0.74
Subtotal	832	58.85	\$ 5,508,394	\$ 102,506,090	\$ 1,434	\$ 63,128	\$ 102,570,652	\$ 334,452,600	3.26
Undeveloped Property Subtotal	907	62.08	\$ 5,927,115	\$ 110,298,097	\$ 1,548	\$ 68,165	\$ 110,367,810	\$ 361,137,600	3.27
TOTAL	950	64.28	\$ 6,185,156	\$ 115,100,000	\$ 1,654	\$ 72,845	\$ 115,174,499	\$ 385,930,000	3.35

* Preliminary, subject to change.

(1) Ownership and value based on Appraisal Report with a Date of Value of April 14, 2022.

(2) Permitted units shown represent parcels with a building permit issued as of April 14, 2022. Parcels of Undeveloped Property are based on expected product mix information provided by the Market Absorption Consultant.

(3) Based on debt service on the Bonds plus the Administrative Expenses Cap.

(4) Allocated based on projected Fiscal Year 2022-23 Special Tax levy.

(5) As of March 2, 2022. Allocated based on actual Fiscal Year 2021-22 levy.

(Footnotes continue onto following page)

Attachment C

(Footnotes continued from following page)

- ⁽⁶⁾ Under the Rate and Method, Developed Property is property for which a building permit was issued as of January 1 of the prior Fiscal Year and Undeveloped Property is property for which a building permit was not issued as of January 1 of the prior Fiscal Year.
- ⁽⁷⁾ An additional 75 building permits were issued between January 1, 2022 and April 14, 2022. Such units will be classified as Developed Property beginning in Fiscal Year 2023-24.
- ⁽⁸⁾ Tri Pointe Homes is under contract to acquire a portion of such property to be developed into 135 units. Lennar is under contract to acquire a portion of such property to be developed into 42 units.
- ⁽⁹⁾ Property is included in Zone 6 under the Rate and Method and is expected to be developed into an assisted living community. The Special Tax levy in Zone 6 for Developed Property is \$65,567 per acre, increasing at 2.0% per Fiscal Year, commencing July 1, 2023.

Source: DTA, Inc.

Largest Taxpayers

Table 5 below lists the largest taxpayers within the District within each Zone, measured by the percentage of the projected Fiscal Year 2022-23 Special Tax levy. Based on the ownership status as of April 14, 2022 provided in the Appraisal Report, assuming no additional transfer of property in the District, for Fiscal Year 2022-23, the largest taxpayer within the District will be Lennar, which is responsible for approximately 35.99% of the projected Fiscal Year 2022-23 Special Tax levy. See “SPECIAL RISK FACTORS — Concentration of Ownership.”

TABLE 5
COUNTY OF ORANGE
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
FISCAL YEAR 2022-23 LARGEST TAXPAYERS

<i>Owner</i> ⁽¹⁾	<i>Fiscal Year</i> <i>2022-23</i> <i>Number of</i> <i>Units/Taxable</i> <i>Acres</i> ⁽²⁾	<i>Expected</i> <i>Fiscal Year</i> <i>2022-23</i> <i>Property</i> <i>Classification</i> ⁽³⁾	<i>Expected</i> <i>Fiscal Year</i> <i>2022-23</i> <i>Special Tax</i> <i>Levy</i> ^{(4)*}	<i>Percent of</i> <i>Total Levy</i>
Lennar	20 Units	Developed	\$ 107,091	1.73%
Lennar	22.24 Acres	Undeveloped	<u>2,118,908</u>	<u>34.26</u>
Subtotal			\$ 2,225,999	35.99%
Developer ⁽⁵⁾	7.83 Acres	Undeveloped	\$ 966,817	15.63%
Tri Pointe Homes	7 Units	Developed	\$ 42,120	0.68%
Tri Pointe Homes	6.06 Acres	Undeveloped	<u>696,130</u>	<u>11.25</u>
Subtotal			\$ 738,250	11.94%
Trumark	6.65 Acres	Undeveloped	\$ 608,159	9.79%
RMV Rienda Senior Housing, LLC	10.58 Acres	Undeveloped	\$ 605,637	9.83%
Meritage	13 Units	Developed	\$ 86,123	1.39%
Meritage	3.82 Acres	Undeveloped	<u>483,460</u>	<u>7.82</u>
Subtotal			\$ 569,583	9.21%
Pulte	3 Units	Developed	\$ 22,707	0.37%
Pulte	4.90 Acres	Undeveloped	<u>448,004</u>	<u>7.24</u>
Subtotal			\$ 470,711	7.61%
Total	N/A	N/A	\$ 6,185,156	100.00%

* Preliminary, subject to change.

(1) Ownership based on Appraisal Report with a Date of Value of April 14, 2022.

(2) Totals shown represent the number of parcels with building permits issued as of January 1, 2022 for Developed Property and total taxable acreage as of January 1, 2022 for Undeveloped Property.

(3) Under the Rate and Method, Developed Property is property for which a building permit was issued as of January 1 of the prior Fiscal Year and Undeveloped Property is property for which a building permit was not issued as of January 1 of the prior Fiscal Year. An additional 75 building permits were issued between January 1, 2022 and April 14, 2022. Such units will be classified as Developed Property beginning in Fiscal Year 2023-24.

(4) Based on debt service on the Bonds plus the Administrative Expenses Cap.

(5) Such property owned by the Developer is under contract to be acquired by Tri Pointe Homes and Lennar.

Source: DTA, Inc.

Delinquency History

Fiscal Year 2022-23 is the first fiscal year in which Special Taxes are being levied within the District. The first installment of the Fiscal Year 2022-23 Special Taxes will become delinquent if not paid on or before December 10, 2022.

PROPERTY OWNERSHIP AND THE DEVELOPMENT

The following information about RMV PA3 Development, LLC, RMV Rienda Senior Housing, LLC and the merchant builders and their respective developments within the District has been provided by RMV PA3 Development, LLC (except information regarding estimated base sales prices of homes within the District, which has been provided by the Market Absorption Consultant and except for information in Table 6 which has been provided by the Appraiser or the Market Absorption Consultant). No information has been provided directly by the merchant builders to the District or the County. No assurance can be given that the proposed developments will occur as described in this Official Statement or that they will be completed in a timely manner, if at all, or that the current major property owners will continue to own the property. Neither the Bonds nor the Special Taxes securing the Bonds are personal obligations of the property owners or any affiliate thereof and, in the event that a property owner defaults in the payment of its Special Taxes, the District may proceed with judicial foreclosure but has no direct recourse to the assets of such property owner or any affiliate thereof. None of the information with respect to the merchant builders (other than the building permits issued in Table 6) will be subject to future update in the Developer Continuing Disclosure Agreement. See “SPECIAL RISK FACTORS” herein and APPENDIX G — “FORM OF CONTINUING DISCLOSURE AGREEMENT OF RMV PA3 DEVELOPMENT, LLC.”

General Description of the Development

The District is located in the southern portion of the County of Orange (the “County”) northeast of the intersection of Los Patronos Parkway and Cow Camp Road. The property in the District is a portion of Planning Area 3, which is the third phase of one of six planning areas of the Rancho Mission Viejo Ranch Plan Planned Community, a proposed 22,815-acre master planned community which is anticipated to be the final master planned community within the Ranch. The development in the District is the first phase of the larger development being marketed as “Rienda.” Rienda is currently planned to include approximately 2,150 homes, 950 of which are planned within the District, as further described below. Other Rancho Mission Viejo projects within the County have included the City of Rancho Santa Margarita, Ladera Ranch, Las Flores, Sendero and Esencia.

The District consists of approximately 113 gross acres, of which approximately 64 acres are expected to be subject to the Special Tax at build-out. Development within the District is expected to include 950 residential units (consisting of 805 market-rate residential units and 145 age-qualified residential units) and an assisted living facility of approximately 605,000 square feet, all of which will be subject to the Special Tax. The balance of the property within the District is anticipated to be used for recreational facilities, parks and open space/conservation property and property owned by the owners association and public property.

Merchant homebuilders have acquired or are under contract to acquire all of the land available in the District for residential development. See “—Merchant Builders in the Development” herein. The development in the District is planned to occur in two phases, with the development in the second phase expected to trail the first phase by approximately six months. The first phase of development is planned to include seven of the 11 for-sale residential developments (totaling 671 for-sale residential units at buildout). The area in the first phase has been graded and major infrastructure (sewer, water, storm drains, utilities, and arterial roads) to be installed by the Developer within the first phase of development has been substantially completed. All merchant builders have commenced vertical construction of their projects within the first phase of development in the District and the grand opening for the first phase occurred in April 2022. The public grand opening event within the District was preceded by invitation-only appointments for potential

homebuyers who were on the merchant builders' priority lists. As of April 14, 2022, 118 building permits had been issued for the planned residential homes in the District (all of which were in the first phase of development).

The area within the second phase of development in the District is planned for four residential projects totaling 279 for-sale homes (145 of which are planned to be age-qualified). Remaining backbone infrastructure required for the second phase of development in the District includes roadways and traffic improvements, park improvements and landscaping. The grand opening for the second phase of development in the District is planned to occur in November 2022.

In addition to the for-sale residential developments described above, the District is planned to include a senior assisted living facility of approximately 605,000 square feet. The Developer expects such facility to be complete in the fourth quarter of 2023 and for operations to begin shortly thereafter. The property on which the planned senior assisted living facility will be located is subject to the Special Tax.

Within the first phase of development in the District, the Developer has completed a community amenity called the "Ranch Camp." The Ranch Camp includes various amenities such as a fitness center, resort-style pool facilities, outdoor event facilities, a nature reserve and hiking and biking trails. Additional community amenities are expected to be constructed within the second phase of development in the District and are expected to be complete by the grand opening of the second phase planned for November 2022.

In 2021, the Developer started pre-opening marketing efforts for the Rienda development, including advertising and creating a website. The Developer has continued to market the Rienda development as new homes within the District are developed by the merchant builders. As of May 2022, the Developer represents that over 13,000 people have signed up to be on the interest list for homes in the District. As of June 5, 2022, 147 homes in the District have been released for sale, 142 of which were in escrow or reserved.

The Developer

RMV PA3 Development, LLC is the master developer of Rienda. The Developer is a limited liability company created under the laws of the State of Delaware, was formed on November 14, 2017 and is governed by that certain Amended and Restated Limited Liability Company Operating Agreement, dated as of January 1, 2018. The sole member of the Developer is RMV Community Development, LLC, a California limited liability company ("RMV CD"). RMV CD is the managing member of the Developer. Excerpts from the Developer's unaudited financial statements for the period ended July 31, 2021 and the fiscal year ended December 31, 2021, are attached hereto as Appendix K. The excerpts from the financial statements of the Developer are included for informational purposes only and the inclusion of such information does not mean that the Bonds are secured by any resources of the Developer.

RMV CD was formed on April 5, 2006 and is governed by that certain Limited Liability Company Operating Agreement, dated as of April 25, 2006, as amended on April 14, 2009 (the "RMV Community Development Operating Agreement"). The members of RMV CD are DMB Ladera, L.L.C., a Delaware corporation ("DMB Ladera"), and RMV Community Development Company, Inc., a California corporation ("RMV CDCP"), as the managing member of RMV CD. RMV CD is the developer of Sendero and Esencia, communities that are the first two phases of the RMV Ranch Planned Community. DMB Ladera is the developer of Ladera Ranch.

The members of DMB Ladera are DMB Consolidated Holdings, L.L.C., an Arizona limited liability company ("DMB"), and Ladera Development Company, L.L.C., a Delaware limited liability company ("Ladera").

DMB is a privately-held, diversified real estate investment and development firm with real estate holdings through affiliated companies that include residential communities and commercial developments

located in Arizona and California. DMB was formed in 1984 by Drew Brown, Mark Sklar and Bennett Dorrance. Since its inception, DMB has pursued large-scale real estate development. Early activities focused on commercial development, including the 1.2 million square-foot Centerpoint project in Tempe, Arizona. In the late 1980s and early 1990s, DMB focused on acquisition of both commercial properties and forming joint ventures to develop master planned communities.

Starting in 1994, DMB focused primarily on master planned community development. In most cases, a DMB managed entity partners with a landowner. Master planned communities developed or in development by DMB affiliated entities include Verrado in Buckeye, Arizona (8,800 acres), DC Ranch in Scottsdale, Arizona (8,000 acres); Marley Park in Surprise, Arizona (956 acres); One Scottsdale in Scottsdale, Arizona (120 acres); Power Ranch in Gilbert, Arizona (2,000 acres); Forest Highlands in Flagstaff, Arizona (500 acres); Ladera Ranch in Orange County, California (4,000 acres); Lahontan in North Lake Tahoe, California (720 acres), Martis Camp in North Lake Tahoe, California (2,200 acres); Santaluz in San Diego, California (4,000 acres); Kukui'ula, on Kauai, Hawaii (1,010 acres); Glenwild in Park City, Utah (950 acres) and Eastmark in Mesa, Arizona (3,200 acres).

The members of Ladera are members of the O'Neill family and former and current key employees of Rancho Mission Viejo, L.L.C. ("RMV"), a Delaware limited liability company which is controlled and majority owned by members of the O'Neill family (with the remaining ownership held by former and/or key employees of RMV). Ladera was formed in February 1995 to acquire an option to purchase the property comprising Ladera Ranch from Santa Margarita Company ("Santa Margarita"), an affiliate of RMV, and to develop the property in Ladera Ranch.

The members of RMV CDCI are the principals of DMB and their family trusts, members of the O'Neill family and key employees of RMV. RMV CDCI was formed in September 2004 to acquire an option to purchase the property comprising the residential portions of Rienda from DMB San Juan Investment North, LLC ("DMB SJIN"), an affiliate of RMV, and to develop the properties in Sendero, Esencia and Rienda.

History of Property Tax Payments; Loan Defaults; Litigation; Bankruptcy. The Developer has represented to the District as follows: a) neither the Developer, nor any individual or entity which has an ownership interest in the Developer, has ever defaulted in the payment of a special tax or an assessment on property owned by it; b) neither the Developer, nor any individual or entity which has an ownership interest in the Developer, is now in default on any loans, lines of credit or other obligation, or has been in default on any loans, lines of credit or other obligation in the past two years; c) neither the Developer, nor any individual or entity which has an ownership interest in the Developer, has ever filed for bankruptcy or been declared a bankrupt; and d) the Developer has not been served with notice of any claim or suit, nor to the best of the Developer's knowledge is any claim or suit now threatened against the Developer, with respect to the development within the District.

The Development

General. The area included in the District has been graded and major infrastructure (sewer, water, storm drains, utilities, and arterial roads) to be installed by the Developer within the first phase of development in the District, which are planned for seven of the 11 for-sale residential units, has been substantially completed. Remaining backbone infrastructure required for the second phase of development in the District include roadways and traffic improvements, park improvements and landscaping, which the Developer expects to be substantially complete by the grand opening of the second phase planned for November 2022.

Homebuilders have acquired or are under contract to acquire all of the land available that is currently planned for development of residential projects, and are in various stages of construction. As of April 14, 2022, four of the five merchant builders had commenced construction of model homes and certain merchant builders have commenced vertical construction of production homes. The property planned for an assisted living facility in the District is owned by an affiliate of the Developer. The Developer owns all of the

remaining land intended for nonresidential use which is planned for a community park and recreational facilities, open space, public property and property owned by the owners association and public property.

Infrastructure Requirements and Financing Plan. The Developer estimates that total project cost for the infrastructure improvements onsite and offsite infrastructure to be installed to complete development in the District will total approximately \$254 million, of which approximately \$220 million has been spent as of April 1, 2022. Of this amount, approximately \$144 million is identified as being eligible for reimbursement from Bond proceeds. The Developer estimates that approximately \$34 million remains to be spent as of April 1, 2022 on improvements to be installed by the Developer on the Project, including: a) \$14 million for roadways, streets, sewer and drainage improvements and utilities; b) \$6 million for landscaping, hardscape and parks; c) \$2 million for mitigation payments (sheriff, library, Transportation Corridor Agency, and school fees, each of which are paid by the Developer on behalf of the merchant builders upon submission of building permits); d) \$5 million for amenities; e) \$6 million for Orange County Fire Authority facilities; and equipment and f) \$0.5 million for engineering, miscellaneous processing and legal fees, and marketing. All remaining infrastructure improvements to be installed by the Developer are anticipated to be completed by the end of 2023 and are planned to be funded by the Developer with cash on hand, and available Bond proceeds.

Notwithstanding the Developer's belief that the funding sources described above are expected to be sufficient to complete the remaining backbone infrastructure to be completed by the Developer in the District, there is no assurance that amounts necessary to finance the construction of such remaining backbone infrastructure to be completed within the District will be available from the Developer or any other funding source when needed. If and to the extent the sources of financing described above are inadequate to complete the remaining backbone infrastructure to be completed by the Developer, the planned development of the property may not proceed as planned. Neither the Developer nor any of the merchant builders have any legal obligation to the Bondowners to expend funds for the development of the property within the District or the payment of *ad valorem* property taxes or the Special Taxes, though the Developer and the merchant builders have legal obligations to each other to expend certain funds relating to the development. The Developer has posted improvement bonds to guarantee completion of the backbone infrastructure. Additionally, each of the merchant builders has posted improvement bonds to guarantee completion of its in-tract improvements.

Entitlements for the Overall Rancho Mission Viejo Ranch Plan Planned Community. The Rancho Mission Viejo Ranch Plan Planned Community application was approved by the Board of Supervisors with a General Plan Amendment, zone change, and development agreement on November 8, 2004. There were subsequently a number of entitlements and lawsuits that were settled, as noted below. A requirement by the County for the Rancho Mission Viejo Ranch Plan Planned Community, Condition of Approval No. 1, is that a Master Area Plan is required for each of the planning areas. As a result, a Master Area Plan for Planning Area 3, which includes the property in the District, was prepared and approved by the County on September 11, 2019.

On November 8, 2004, the County approved a Development Agreement with the owners of the property (the "Original Property Owners") within the Rancho Mission Viejo Ranch Plan Planned Community (the "Development Agreement"). The Development Agreement includes requirements of the County that would need to be accomplished by the Original Property Owners in return for vesting of project approvals to allow build-out of the Rancho Mission Viejo Ranch Plan Planned Community under the development standards and requirements in place at the time of the approval. The Development Agreement has a term of 30 years.

On January 19, 2021 and February 3, 2022, the Original Property Owners entered into Assignment and Assumption Agreements with the Developer (the "Assignment Agreements"). Pursuant to the Assignment Agreements, the Original Property Owners assigned to the Developer certain of their rights and obligations under the Development Agreement which were appurtenant and pertained to the lands transferred to the Developer, including the land within the District. These obligations included dedication of certain rights of way, funds for local improvements, funding of certain studies relating to traffic projects, and funding of certain

street improvements. Each of these obligations has been fulfilled with respect to the land within the District. The assigned rights included allocation of certain development rights and associated milestones permitted under the Development Agreement, which include a number of permitted dwellings and other property uses sufficient to complete build-out of properties in the District.

Environmental Impact Report and Litigation. On November 8, 2004, the Board of Supervisors certified the environmental impact report for the project and granted a number of approvals that would allow the implementation of the Rancho Mission Viejo Ranch Plan Planned Community. On December 8, 2004, the Endangered Habitats League, Natural Resources Defense Council, Sea and Sage Audubon Society, Laguna Greenbelt, Inc., and Sierra Club filed suit challenging the County's approval of the Rancho Mission Viejo Ranch Plan Planned Community and related environmental impact report.

On August 16, 2005, RMV, the County, the Endangered Habitats League, Natural Resources Defense Council, Sea and Sage Audubon Society, Laguna Greenbelt, Inc., and Sierra Club reached an agreement to settle the lawsuit challenging the County's approval of the Rancho Mission Viejo Ranch Plan Planned Community and the comprehensive open space and land use management plan for the remaining 22,815 acres of Rancho Mission Viejo, including the area comprising the District. The settlement resolved all outstanding litigation of the parties regarding the Rancho Mission Viejo Ranch Plan Planned Community and expanded the protection of open space and species found in the area covered by the Ranch Plan.

As a result of the litigation settlements, the Ranch Plan and the Development Agreement, the remaining undeveloped portions of the Ranch consisting of the Rancho Mission Viejo Ranch Plan Planned Community is entitled for the development of up to 14,000 dwelling units and 5.2 million square feet of commercial, business and urban centers located on 5,873 acres within six planning areas. The remaining 16,942 acres will remain open space.

Other Settlement Agreements. On December 8, 2004, RMV entered into an agreement with the City of San Clemente. RMV agreed not to enter into any agreements with any third party to transfer residential density in the Rancho Mission Viejo Ranch Plan Planned Community from the San Juan Watershed to the San Mateo Creek Watershed over that residential density currently allocated pursuant to the Rancho Mission Viejo Ranch Plan Planned Community entitlements. The City of San Clemente agreed not to challenge any transfer of residential density from the San Juan Creek to any one or more of the planning areas in the San Mateo Watershed that is ten percent or less of the San Mateo Watershed density. The agreement also requires RMV to complete a recreational facilities study and restricts the ability of the City of San Clemente to challenge the Rancho Mission Viejo Ranch Plan Planned Community approvals.

On June 9, 2005, RMV entered into an agreement with the City of Mission Viejo in order to resolve such city's challenge to the County's approval of the Rancho Mission Viejo Ranch Plan Planned Community and related environmental impact report. The settlement agreement resolved the City's litigation and, in relevant part, provided for the reallocation of certain funds to be provided by RMV pursuant to the South County Roadway Improvement Program (the "SCRIP") so as to better address local and regional roadway improvements benefiting the City of Mission Viejo.

At this time, the Developer believes that all fees and obligations required by the Development Agreement, related litigation settlements, and the Assignment Agreement for the development of property in the District have been paid or fulfilled, with the exception of fees owed at the time of issuance of building permits. Such fees include fire, sheriff and school mitigation fees, and Transportation Corridor Agency fees, which are approximately \$2,568 per apartment unit, \$4,405 per single family unit, and \$4.99 per commercial or community-benefit use square foot. The Developer is responsible for such fees and intends to pay them as building permits are issued.

Merchant Builders in the Development

The property in the District consists of 11 for-sale residential developments, an assisted living facility and other lands retained by the Developer for nonresidential use, recreation and park space. The following table summarizes the residential developments within the District.

TABLE 6
COMMUNITY FACILITIES DISTRICT NO. 2021-1
OF THE COUNTY OF ORANGE (RIENDA)
SUMMARY OF MERCHANT BUILDER DEVELOPMENTS

<i>Merchant Builder</i>	<i>Project</i>	<i>Product Type⁽¹⁾</i>	<i>Average Living Area Sq.Ft.⁽²⁾</i>	<i>Number of Units</i>	<i>Number of Models Completed⁽³⁾</i>	<i>Number of Building Permits Issued⁽³⁾</i>	<i>Number of Homes Under Construction⁽³⁾</i>	<i>Number of Undeveloped Lots ⁽³⁾</i>	<i>Estimated Average Base Sales Price⁽²⁾</i>
<u>Market-Rate</u>									
Lennar	Portico (MR-1)	Attached Flats	1,106	132	10	36	20	102	\$ 541,667
	Oasis (MR-7)	Attached Row Townhomes	1,377	120	4	11	10	106	666,667
	Serenity (MR-23)	Single Family Detached (Alley)	1,595	86	3	28	16	67	785,000
TRI Pointe	Paisley (MR-13)	Single Family Detached Duplex	1,548	110	0	4	4	106	716,250
	Wildrose (MR-21)	Single Family Detached (Alley)	1,343	83	0	12	3	80	717,667
	Botanica (MR-41)	Single Family Detached	2,135	61	0	0	0	61	971,667
Meritage	Harvest (MR-16)	Single Family Detached Duplex	1,754	67	2	18	31	34	779,000
Pulte	Evolve (MR-37)	Single Family Detached	1,935	73	3	9	6	64	999,657
Trumark	Dahlia (MR-45)	Single Family Detached	2,616	73	0	0	0	73	1,023,083
<u>Age-Qualified</u>									
Lennar	Haven (AQ-16)	Single Family Detached & Duplex	1,466	89	0	0	0	89	745,000
	Pearl (AQ-22)	Single Family Detached Cluster	1,875	56	0	0	0	56	879,000
TOTAL				950	22	118	90	838	

(1) See descriptions of the merchant builders projects below for more information regarding the proposed product types.

(2) Averages as set forth in the Market Absorption Study, which reflects a weighted average taking into account the number of units per floor plan within each project.

(3) As of April 14, 2022.

Source: The Developer, the Appraiser and the Market Absorption Consultant.

Attachment C

[INSERT SITE PLAN]

The projects listed in Table 6 are in various stages of development. A general overview of each merchant builder and its development is set forth below.

The following information about the merchant builders and their respective developments within the District has been provided by RMV PA3 Development, LLC. No information has been provided directly by the merchant builders to the District or the County. The development and financing plans discussed for each of the merchant builders below are solely projections as of the date of this Official Statement. Such plans are subject to change. No assurance can be given that such plans will remain in their current state or that the plans will ultimately be carried out according to the discussion set forth below. The projected dates of occupancy and sellout of the merchant builders' projects described below may differ from those set forth in the Market Absorption Study. The websites referenced in this section are included for reference only and the information on such websites is not a part of this Official Statement and is not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites.

The base sales prices, home sizes and projected absorption schedules described below may differ in certain respects from those included in the Market Absorption Study.

Proposed Developments by Lennar. On January 31, 2022, Lennar Homes of California, Inc., a California corporation, converted into a limited liability company, and is thereafter known as Lennar Homes of California, LLC, a California limited liability company. Lennar Homes of California, LLC is for all purposes the same entity that existed prior to conversion. All property owned, obligations, and causes of action that existed prior to the conversion remain with the resulting entity - Lennar Homes of California, LLC. As used in this section of the Official Statement, the term "Lennar" refers to Lennar Homes of California, Inc. prior to February 1, 2022 and Lennar Homes of California, LLC on and after February 1, 2022.

Lennar is based in Irvine, California and has been in the business of developing residential real estate communities in California since 1996. Lennar is wholly-owned by U.S. Home, LLC, a Delaware limited liability company ("U.S. Home"). U.S. Home is wholly-owned by Lennar Corporation, which is based in Miami, Florida ("Lennar Corporation"). Founded in 1954, Lennar Corporation completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. Lennar Corporation's Class A and Class B common stock are listed on the New York Stock Exchange under the symbols "LEN" and "LEN.B." respectively. Lennar Corporation is one of the largest homebuilders in the United States based on home sales revenues and net earnings, and operates under a number of brand names, including Lennar and U.S. Home. Lennar primarily develops residential communities both within the Lennar Corporation family of builders and through consolidated and unconsolidated partnerships in which Lennar maintains an interest.

Lennar has acquired or is under contract to acquire property from the Developer to develop five projects in the District as described below totaling 483 residential units. Three projects are planned for market-rate units and are included in the first phase of development in the District for which the grand opening has occurred. Lennar's two projects planned for age-qualified units (55+) are within the second phase of development in the District with a grand opening anticipated in November 2022.

The estimated costs to construct each project are described in the sections below. Lennar currently expects to finance the costs of its projects in the District from home sales revenues and internal funding. The following table summarizes the final tract maps for Lennar's five projects in the District. No discretionary approvals remain in order to record the final tract maps for the Haven and Pearl projects.

<i>Product Line</i>	<i>Expected Number of Units</i>	<i>Tract No.</i>	<i>Actual/Expected Final Tract Map Recording Date</i>
Portico (MR-1)	132	19028	January 28, 2022
Oasis (MR-7)	120	19029	January 28, 2022
Serenity (MR-23)	86	19030	January 28, 2022
Haven (AQ-16)	89	19149	July 2022
Pearl (AQ-22)	<u>56</u>	19150	July 2022
Totals	483		

Portico (MR-1). Lennar acquired approximately 4.7 acres of property in the District from the Developer, where it plans to build Portico, a project consisting of 132 attached flats. The Portico project consists of single-level flats with ten to twelve units per building. Construction of the project commenced in September 2021, first occupancy is expected in November 2022 and sellout by the end of 2024. As of April 14, 2022, Lennar had completed the substantial majority of the in-tract street and utility improvements within the Portico project. As of such date, Lennar owned 10 completed model homes, 20 homes under construction and finished lots relating to 102 homes within the Portico project. Lennar has provided estimates to the Developer that its development costs for the Portico project will be approximately \$40 million (including land acquisition, infrastructure, home construction, soft costs and carrying costs). The estimated base sales prices in the Portico project range from \$445,000 to \$605,000 with floor plans ranging from approximately 727 square feet to 1,390 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Oasis (MR-7). Lennar acquired approximately 5.4 acres of property in the District from the Developer, where it plans to build Oasis, a project consisting of 120 attached townhomes. The Oasis project consists of two and three-story townhomes arranged in a row of six units per building. Construction of the project commenced in February 2022, first occupancy is expected in September 2022 and sellout by the end of 2024. As of April 14, 2022, Lennar had completed the substantial majority of the in-tract street and utility improvements within the Oasis project. As of such date, Lennar owned four completed model homes, 10 units under construction and finished lots relating to 106 units within the Oasis project. Lennar has provided estimates to the Developer that its development costs for the Oasis project will be approximately \$47 million (including land acquisition, infrastructure, home construction, soft costs and carrying costs). The estimated base sales prices in the Oasis project range from \$510,000 to \$735,000 with floor plans ranging from approximately 961 square feet to 1,509 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Serenity (MR-23). Lennar has entered into an option agreement with the Developer (the “Serenity Option Agreement”) to acquire 4.8 acres of property in the District from the Developer, where it plans to build Serenity, a project consisting of 86 single family detached homes. The Serenity Option Agreement provides that Lennar may acquire the property planned for the Serenity project in two takedowns. The first takedown, consisting of property planned for 44 single family detached homes, occurred in April 2021. The second takedown is currently scheduled to occur in July 2022, however, no assurances can be made that such takedown will occur. Pursuant to the Serenity Option Agreement, Lennar has paid to the Developer an option payment equal to 20% of the purchase price. In the event Lennar does not exercise its option to purchase the property, the Developer is entitled to retain the option payment. The Serenity Option Agreement allows Lennar to commence construction activities on any portion of the property planned for the Serenity project prior to the related takedown having occurred.

The Serenity project consists of three-story detached homes with common driveway access to the garage for each home. Construction of the project commenced in October 2021, first occupancy is expected in August 2022 and sellout by the end of 2023. As of April 14, 2022, Lennar had completed the substantial majority of the in-tract street and utility improvements within the Serenity project. As of such date, Lennar owned three completed model homes, 16 units under construction and finished lots relating to 25 homes within

the Serenity project. As of such date, the remaining finished lots relating to 42 homes in the Serenity project were owned by the Developer and were under contract to be acquired by Lennar, as described above.

Lennar has provided estimates to the Developer that its development costs for the Serenity project will be approximately \$40 million (including land acquisition, infrastructure, home construction, soft costs and carrying costs). The estimated base sales prices in the Serenity project range from \$735,000 to \$830,000 with floor plans ranging from approximately 1,418 square feet to 1,773 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Haven (AQ-16). Lennar acquired approximately 9.1 acres of property in the District from the Developer, where it plans to build Haven, a project consisting of 89 age-qualified (55+) single family detached and duplex homes. In May 2022, Lennar commenced construction of in-tract infrastructure and expects to commence home construction in September 2022, for first occupancy to occur in May 2023 and sellout in mid-2025. Lennar has provided estimates to the Developer that its development costs for the Haven project will be approximately \$50 million (including land acquisition, infrastructure, home construction, soft costs and carrying costs). The estimated base sales prices in the Haven project range from \$665,000 to \$855,000 with floor plans ranging from approximately 1,116 square feet to 1,902 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Pearl (AQ-22). Lennar acquired approximately 9.1 acres of property in the District from the Developer, where it plans to build Pearl, a project consisting of 56 age-qualified (55+) single family detached homes. The homes in the Pearl project are planned to be detached homes or arranged in duplexes, with common driveway access to individual garages. In May 2022, Lennar commenced construction of in-tract infrastructure and expects to commence home construction in October 2022, for first occupancy to occur in June 2023 and sellout in mid-2025. Lennar has provided estimates to the Developer that its development costs for the Pearl project will be approximately \$40 million (including land acquisition, infrastructure, home construction, soft costs and carrying costs). The estimated base sales prices in the Pearl project range from \$800,000 to \$975,000 with floor plans ranging from approximately 1,595 square feet to 2,257 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Proposed Developments by TRI Pointe. TRI Pointe Homes Holdings, Inc (previously defined herein as “TRI Pointe Homes”), a Delaware corporation, is an affiliate of Tri Pointe Homes, Inc., a Delaware corporation (“Tri Pointe”), a publicly traded company whose common stock is listed on the New York Stock Exchange under the ticker symbol “TPH”. Tri Pointe is engaged in the design, construction and sale of innovative single-family attached and detached homes in 15 markets across ten states and the District of Columbia. Effective January 15, 2021, Tri Pointe changed its corporate name from “TRI Pointe Group, Inc.” to “Tri Pointe Homes, Inc.” and consolidated its six regional homebuilding brands into one unified name—Tri Pointe Homes. Tri Pointe is subject to the informational requirements of the Exchange Act and, in accordance therewith, files reports, proxy statements, and other information, including financial statements, with the SEC. Such filings, particularly Tri Pointe’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and Tri Pointe’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, as filed with the SEC, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Tri Pointe and its consolidated subsidiaries, including Tri Pointe Homes, as of such dates.

TRI Pointe Homes has acquired or is under contract to acquire property from the Developer to develop three projects in the District as described below, totaling 254 residential market-rate units. Two projects planned for 193 residential market-rate units are included in the first phase of development in the District for which the grand opening has occurred. The third project planned for 61 units is within the second phase of development in the District, with a grand opening anticipated in November 2022.

The estimated costs to construct each project are described in the sections below. TRI Pointe Homes currently expects to finance the costs of its projects in the District from home sales revenues and internal

funding. The following table summarizes the final tract maps for TRI Pointe Homes' three projects in the District. No discretionary approvals remain in order to record the final tract map for the Botanica project.

<i>Product Line</i>	<i>Expected Number of Units</i>	<i>Tract No.</i>	<i>Actual/Expected Final Tract Map Recording Date</i>
Paisley (MR-13)	110	19026	March 31, 2022
Wildrose (MR-21)	83	19027	April 1, 2022
Botanica (MR-41)	<u>61</u>	19152	August 2022
Totals	254		

Paisley (MR-13). TRI Pointe Homes has entered into an option agreement with the Developer (the "Paisley Option Agreement") to acquire 5.3 acres of property in the District from the Developer, where it plans to build Paisley, a project consisting of 110 single family detached duplex homes. The Paisley Option Agreement provides that TRI Pointe Homes may acquire the property planned for the Paisley project in phased takedowns. The first four takedowns, consisting of property planned for 46 single family detached homes, occurred through April 2022. The summary of the timing of takedowns by Tri Pointe Homes for the Paisley project are as follows:

<i>Expected Number of Units</i>	<i>Actual/Expected Takedown Date</i>
46	Through April 2022
16	July 2022
19	September 2022
16	December 2022
<u>13</u>	March 2023
110	

No assurances can be made that the remaining takedowns for the Paisley project will occur. Pursuant to the Paisley Option Agreement, TRI Pointe Homes has paid to the Developer an option payment equal to 20% of the purchase price. In the event TRI Pointe Homes does not exercise its option to purchase the property, the Developer is entitled to retain the option payment. The Paisley Option Agreement allows TRI Pointe Homes to commence construction activities on any portion of the property planned for the Paisley project prior to the relating takedown having occurred.

The Paisley project consists of three-story homes with two homes per building. Construction of the project commenced in October 2021, first occupancy is expected in mid-2022 and sellout by the end of 2024. As of April 14, 2022, TRI Pointe Homes had completed the substantial majority of the in-tract street and utility improvements within the Paisley project. As of such date, TRI Pointe Homes owned four model homes under construction and finished lots relating to 42 units within the Paisley project. As of such date, the remaining finished lots relating to 64 homes in the Paisley project were owned by the Developer and under contract to be acquired by TRI Pointe Homes, as described above.

TRI Pointe Homes has provided estimates to the Developer that its development costs for the Paisley project will be approximately \$33 million (including land acquisition, infrastructure, home construction, soft costs and carrying costs). The estimated base sales prices in the Paisley project range from \$660,000 to \$770,000 with floor plans ranging from approximately 1,366 square feet to 1,737 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Wildrose (MR-21). TRI Pointe Homes has entered into an option agreement with the Developer (the "Wildrose Option Agreement") to acquire 5.2 acres of property in the District from the Developer, where it plans to build Wildrose, a project consisting of 83 single family detached duplex homes. The Wildrose Option

Agreement provides that TRI Pointe Homes may acquire the property planned for the Wildrose project in phased takedowns. The first three takedowns, consisting of property planned for 41 single family detached homes, occurred through April 2022. The summary of the timing of takedowns by Tri Pointe Homes for the Wildrose project are as follows:

<i>Expected Number of Units</i>	<i>Actual/Expected Takedown Date</i>
41	Through April 2022
12	July 2022
17	September 2022
<u>13</u>	December 2022
83	

No assurances can be made that the remaining takedowns for the Wildrose project will occur. Pursuant to the Wildrose Option Agreement, TRI Pointe Homes has paid to the Developer an option payment equal to 20% of the purchase price. In the event TRI Pointe Homes does not exercise its option to purchase the property, the Developer is entitled to retain the option payment. The Wildrose Option Agreement allows TRI Pointe Homes to commence construction activities on the property planned for the Wildrose project prior to the takedown having occurred.

The Wildrose project consists of three-story detached homes with common driveway access to the garage for each home. Construction of the project commenced in October 2021, first occupancy is expected in late 2022 and sellout in by the end of 2024. As of April 14, 2022, TRI Pointe Homes had completed the substantial majority of the in-tract street and utility improvements within the Wildrose project. As of such date, TRI Pointe Homes owned three model homes under construction and finished lots relating to 38 units within the Wildrose project. As of such date, the remaining finished lots relating to 42 homes in the Wildrose project were owned by the Developer and under contract to be acquired by TRI Pointe Homes, as described above.

TRI Pointe Homes has provided estimates to the Developer that its development costs for the Wildrose project will be approximately \$27 million (including land acquisition, infrastructure, home construction, soft costs and carrying costs). The estimated base sales prices in the Wildrose project range from \$696,000 to \$738,000 with floor plans ranging from approximately 1,327 square feet to 1,387 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Botanica (MR-41). Tri Pointe Homes has entered into an option agreement with the Developer (the “Botanica Option Agreement”) to acquire 8.6 acres of property in the District from the Developer, where it plans to build Botanica, a project consisting of 61 single family detached homes. The Botanica Option Agreement provides that Tri Pointe Homes may acquire the property planned for the Botanica project in two takedowns. The first takedown, consisting of property planned for 32 single family detached homes, occurred in April 2022. The second takedown is currently scheduled to occur in June 2023, however, no assurances can be made that such takedown will occur. Pursuant to the Botanica Option Agreement, Tri Pointe Homes has paid to the Developer an option payment equal to 20% of the purchase price. In the event Tri Pointe Homes does not exercise its option to purchase the property, the Developer is entitled to retain the option payment. The Botanica Option Agreement allows Tri Pointe Homes to commence construction activities on any portion of the property planned for the Botanica project prior to the related takedown having occurred.

The Botanica project consists of three-story detached homes. The site for the Botanica project has been rough graded. TRI Pointe Homes commenced construction of in-tract infrastructure in April 2022 and model home construction is expected to begin in July 2022. TRI Pointe Homes expects to commence construction of production homes in September 2022, for first occupancy to occur in April 2023 and sellout in mid-2024. TRI Pointe Homes has provided estimates to the Developer that its development costs for the Botanica project will be approximately \$31 million (including land acquisition, infrastructure, home

construction, soft costs and carrying costs). The estimated base sales prices in the Botanica project range from \$950,000 to \$990,000 with floor plans ranging from approximately 1,982 square feet to 2,303 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Proposed Development by Meritage – Harvest (MR-16). Meritage Homes of California, Inc., a California corporation (previously defined as “Meritage”) is a subsidiary of Meritage Homes Corporation (“Meritage Homes Corporation”), a Maryland corporation. Meritage Homes Corporation is a homebuilder focused primarily on high-growth regions of the western and southern United States. Meritage Homes Corporation operates as a holding company, has no independent assets or operations, and is traded on the New York Stock Exchange (“NYSE”) under the ticker symbol “MTH.” Homebuilding, construction, development and sales activities are conducted through subsidiaries. As of December 15, 2021, Meritage Homes Corporation was actively selling homes in three geographic regions: West (Arizona, California and Colorado), Central (Texas) and East (Florida, Georgia, North Carolina, South Carolina and Tennessee), with average home closing prices ranging from approximately \$326,900 (South Carolina) to \$609,800 (California).

Meritage acquired approximately 2.4 acres of property in the District from the Developer, where it plans to build Harvest, a project consisting of 67 single family detached duplex homes. Tract Map No. 19031 was recorded for the project on November 24, 2021. The Harvest project consists of two-story detached homes with common driveway access to the garage for each home. Construction of the project commenced in November 2021, first occupancy is expected in July 2022 and sellout in mid-2023. As of April 14, 2022, Meritage had completed the substantial majority of the in-tract street and utility improvements within the Harvest project. As of such date, Meritage owned two model homes, 31 homes under construction and finished lots relating to 34 units within the Harvest project. Meritage has provided estimates to the Developer that its development costs for the Harvest project will be approximately \$33 million (including land acquisition, infrastructure, home construction, soft costs and carrying costs). The estimated base sales prices in the Harvest project range from \$720,000 to \$825,000 with floor plans ranging from approximately 1,510 square feet to 1,893 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Proposed Development by Pulte – Evolve (MR-37). Pulte Home Company, LLC (previously defined herein as “Pulte”), a Michigan limited liability company, is an indirect wholly-owned subsidiary of PulteGroup, Inc., a Michigan corporation (the “Parent Entity”). The Parent Entity is a publicly-held holding company based in Atlanta, Georgia, whose subsidiaries engage primarily in the homebuilding business. The Parent Entity also has mortgage banking operations, conducted principally through Pulte Mortgage LLC and title operations. The Parent Entity is a Michigan corporation organized in 1956 whose common stock trades on the NYSE under the symbol “PHM.” Pulte’s Southern California division based in Mission Viejo, California, is responsible for the development of Pulte’s project in the District.

Through its brands, which include Centex, Pulte Homes, Del Webb, DiVosta Homes, John Weiland Homes and Neighborhoods and American West, the Parent Entity and its subsidiaries offer a wide variety of home designs, including single-family detached, townhouses, condominiums, and duplexes at different prices and with varying levels of options and amenities to the company’s major customer groups: first-time, move-up, and active adult. Over its history, the Parent Entity and its subsidiaries have delivered nearly 750,000 homes.

Pulte acquired approximately 8.1 acres of property in the District from the Developer, where it plans to build Evolve, a project consisting of 73 single family detached homes. Tract Map No. 19025 was recorded for the project on December 17, 2021. Construction of the project commenced in November 2021, first occupancy is expected in July 2022 and sellout in mid-2023. As of April 14, 2022, Pulte had completed the substantial majority of the in-tract street and utility improvements within the Evolve project. As of such date, Pulte owned three model homes, six homes under construction and finished lots relating to 64 units within the Evolve project. Pulte has provided estimates to the Developer that its development costs for the Evolve project will be approximately \$29 million (including land acquisition, infrastructure, home construction, soft costs and

carrying costs). Pulte currently expects to finance such costs from home sales revenues and internal funding. The estimated base sales prices in the Evolve project range from \$974,990 to \$1,023,990 with floor plans ranging from approximately 1,763 square feet to 2,125 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Proposed Development by Trumark – Dahlia (MR-45). TH Rancho Mission Viejo MR45 LLC (previously defined herein as “Trumark”), a California limited liability company, is a single member limited liability company, managed by the managers of Trumark Homes LLC. Founded in 1988, Trumark Homes is engaged in the building of master planned communities, single family and attached housing, urban and mixed-use development in California and Colorado. Since its founding, Trumark Homes has developed over 8,000 residential lots. Other than its project in the District, Trumark Homes’ currently active residential projects in California are located in Oceanside, Covina, San Rafael, Concord, Morgan Hill, Alameda, Newark, Sunnyvale, Mission Viejo, Irvine, Lathrop, Riverside County (Mockingbird Canyon), San Bernardino, and Manteca. In January 2020, Daiwa House USA, Inc., a subsidiary of Daiwa House Industry Co., Ltd., acquired the majority equity interests in Trumark Companies LLC and Trumark Homes became a subsidiary of Daiwa House USA, Inc. Daiwa House Industry Co., Ltd. is Japan’s largest homebuilder and is a public company listed on the Tokyo Stock Exchange and the Osaka Securities Exchange under the ticker symbol “DWAHY.”

Trumark acquired approximately 8.1 acres of property in the District from the Developer, where it plans to build Dahlia, a project consisting of 73 single family detached homes. Tract Map No. 19151 is expected to be recorded for the project in August 2022. No discretionary approvals remain in order to record the final tract map for the Dahlia project. As of April 14, 2021, the property for the Dahlia project consisted of finished lots. Trumark expects to commence model home construction in June 2022, first occupancy in February 2023 and sellout in early 2025. The estimated base sales prices in the Dahlia project range from \$974,571 to \$1,064,132 with floor plans ranging from approximately 2,347 square feet to 2,752 square feet. Base sales prices are subject to change and do not include any incentives, options, upgrades or lot premiums.

Trumark has provided estimates to the Developer that its development costs for the Dahlia project will be approximately \$55 million (including land acquisition, infrastructure, home construction, soft costs and carrying costs). Trumark is currently negotiating the terms of a construction loan to finance a portion of the costs of the Dahlia project. Trumark expects such loan to be in the approximate amount of \$47,650,000. Trumark expects the construction loan to be secured by a deed of trust recorded against the property within the Dahlia project. As homes close to individual homeowners, Trumark expects to repay a portion of the construction loan to release the deed of trust securing the construction loan on the related lot. If obtained, Trumark expects to finance the costs of the Dahlia project from proceeds of the construction loan, internal funding, and home sales revenues

Proposed Assisted Living Facility Project. Approximately 10.8 acres within the District is owned by RMV Rienda Senior Housing, LLC, a Delaware limited liability (“Rienda Senior Housing”). Rienda Senior Housing is a company formed by an affiliate of the Developer for the sole purpose of developing the senior assisted living project in the District. The Developer expects that Rienda Senior Housing will transfer the property to a joint venture entity to be formed with an affiliate of R.D. Merrill Real Estate Holdings, LLC shortly prior to development and construction of the senior project commencing.

Over the course of approximately 28 years, Developer-related entities have developed and managed apartment projects in the communities that they have developed, including in Rancho Santa Margarita, Ladera Ranch, Sendero and Esencia. The apartment portfolio currently includes 2,199 units, consisting of 1,829 traditional family units and 370 senior oriented units. The following table provides a summary of the apartment properties currently held in joint ventures which include Developer-related entities as developer, equity partner, and property manager.

<i>Community</i>	<i>Apartment Property</i>	<i>Property Type</i>	<i>Date Opened</i>	<i>Units</i>
Rancho Santa Margarita	Villas Antonio	Traditional	January 1995	316
Ladera Ranch	Laurel Canyon	Traditional	January 2002	201
Ladera Ranch	Laurel Glen	Traditional/Affordable	June 2002	220
Ladera Ranch	Laurel Terrace	Traditional	April 2003	232
Ladera Ranch	Laurel Vista	Traditional	January 2004	220
Ladera Ranch	Heritage Square	Seniors	September 2004	83
Ladera Ranch	Heritage Park	Seniors	October 2004	180
Sendero	Sendero Gateway	Traditional	June 2014	286
Sendero	Sendero Bluffs	Seniors/Affordable	February 2018	107
Esencia	Esencia Sur	Traditional	December 2017	150
Esencia	Esencia Norte	Traditional/Affordable	November 2017	112
Esencia	Overlook at LP	Traditional	December 2021	92

R.D. Merrill Real Estate Holdings, LLC is an affiliate of the Merrill Gardens group of companies, which develops and manages senior assisted living facilities. The Merrill Gardens group of companies opened its first community in 1993 and now currently operates over 70 senior assisted living facilities through affiliated companies located in Washington, Oregon, California, Idaho, Nevada, Utah, Arizona, Texas, Oklahoma, Missouri, Tennessee, Louisiana, Alabama, Mississippi, New Hampshire, Pennsylvania, North Carolina, South Carolina, Georgia and Florida.

The Developer and Merrill Gardens have negotiated all deal terms and currently anticipate executing the joint venture documents by the third quarter 2022, followed by commencement of construction of the assisted living facility in the fourth quarter of 2022, with operations of the assisted living facility commencing in the fourth quarter of 2023. While design plans for the assisted living facility have not received final approval from the County, the Developer currently anticipates that the facility will be approximately 605,000 square feet and with approximately 425 commercial units. Of the 425 units, 126 units are designated as assisted living and 299 are independent living commercial units. The Developer estimates that the remaining cost to complete the assisted living facility is approximately \$198 million. Financing plans for the assisted living facility are under negotiation as part of the joint venture with Merrill Gardens.

Rienda Senior Housing and Merrill Gardens have been working on the planning, mapping and County approval of the assisted living facility in the District for 18 months. Through June 1, 2022, Merrill Gardens has invested over \$13 million into the project for costs associated with architectural design, site planning, County approval of the site development permit, and engineering/mapping of the project.

Remaining Developer Properties. The remaining land that the Developer owns within the District consists of the land planned for approximately 11 acres of parks and amenities. As described above under “— General Description of the Development,” the Developer has completed the community amenities referred to as the “Ranch Camp” within the first phase of development in the District. The Developer expects to complete the community amenities within the second phase by the anticipated grand opening for the second phase in November 2022. Such amenities are expected to include a parks and a pool and related improvements. The property that the Developer owns in the District is not expected to be subject to the Special Tax.

Impact of COVID-19 (Coronavirus) Pandemic on Development in the District. The Developer and the merchant builders have generally experienced increases in certain construction costs and supply chain delays. While the cost increases and delays may have been and may continue to be intermittently affected by COVID-19, the majority of cost increases and delays can be attributable to the strength of the housing market and the result of vendors not anticipating the scale of the current demand for housing materials.

To date, the Developer and the merchant builders in the District have continued to fund and implement their respective projects as described in this Official Statement and intend to do so to complete such

projects. However, the development of such projects within the District is subject to delays caused by the COVID-19 pandemic. As the impacts caused by the outbreak evolve, there could be an adverse impact on the timing and costs of the remaining infrastructure to be completed by the Developer and of the merchant builders' developments in the District. Neither the Developer nor the merchant builders can predict the ultimate effects of the COVID-19 outbreak or whether any such effects would have a material adverse effect on the ability to develop the projects in the District as planned. See "SPECIAL RISK FACTORS — COVID-19 (Coronavirus) Pandemic" herein.

SPECIAL RISK FACTORS

The purchase of the Bonds involves significant risks that are not appropriate investments for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. The Bonds have not been rated by a rating agency. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the District. See "— Land Values" and "— Limited Secondary Market."

Risks of Real Estate Secured Investments Generally

The Bond Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation: (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses; and (iv) high rate of inflation, rising interest rates and other economic trends that adversely affects consumers, whether cyclical or resulting from geopolitical events.

No assurance can be given that the Developer, the merchant builders or any future homeowners within the District will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See the caption "— Bankruptcy and Foreclosure" for a discussion of certain limitations on the District's ability to pursue judicial proceedings with respect to delinquent parcels.

Concentration of Ownership

As of April 14, 2022, no homes within the District had closed to individual homeowners. Based on the ownership status of the property within the District as of April 14, 2022, approximately 35.99% of the Special Taxes to be levied in Fiscal Year 2022-23 would be payable by Lennar, approximately 15.63% would be payable by the Developer, approximately 11.94% would be payable by Tri Pointe Homes and approximately 9.83% would be payable by Rienda Senior Housing. The remaining merchant builders are expected to be responsible for between approximately 7.61% and 9.79% of the estimated Fiscal Year 2022-23 Special Tax levy. The property owned by the Developer as of April 14, 2022 that is planned for residential development is under contract to be acquired by Lennar and Tri Pointe Homes. Assuming Lennar and Tri Pointe Homes acquires such property and assuming no closings of homes to individual homeowners, the portion of the Fiscal Year 2022-23 Special Tax levy allocated to property owned by Lennar and Tri Pointe Homes will increase from the foregoing percentages. At buildout within the District, the property currently owned by Rienda Senior Housing that is planned to be developed with a senior assisted living project is expected to be responsible for approximately 10% of the Special Tax levy in each Fiscal Year.

Failure of the merchant builders, or any successors, to pay the annual Special Taxes when due could result in a draw on the Reserve Account of the Special Tax Fund, and ultimately a default in payments of the principal of, and interest on, the Bonds, when due. No assurance can be given that the Developer, the merchant builders or their successors, will complete the remaining intended construction and development in the District. See “— Failure to Develop Properties.”

In Fiscal Year 2022-23, the District will levy Special Taxes on property within the District classified as Undeveloped Property which is owned by the Developer, the merchant builders and Rienda Senior Housing. Undeveloped Property is defined in the Rate and Method as property not classified as Developed Property, Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property or Taxable Religious Property. In the event that the Developer, entities affiliated with the Developer, or any of the merchant builders fail to complete the remaining intended construction and development in the District, Special Taxes will continue to be levied on Undeveloped Property owned by such entities. No assurance can be given that the merchant builders, or any successors, will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See “— Bankruptcy and Foreclosure” for a discussion of certain limitations on the District’s ability to pursue judicial proceedings with respect to delinquent parcels.

Increasing Mortgage Interest Rates

Between approximately November 2021 and April 2022, mortgage interest rates for 30-year mortgage loans have increased from approximately 3.1% to 5.0%. Mortgage interest rates are expected to continue to increase in the near term. Increases in mortgage interest rates could have a negative impact on the estimated absorption rates of the planned for-sale residential units in the District described herein. With respect to entry-level households, increased mortgage interest rates may adversely impact the affordability of homes and may increase mortgage payment levels for owning a lower-priced home relative to renting a residence, thereby making purchasing less attractive. With respect to move-up households, higher mortgage interest rates may impact the desire of current homeowners to move from their present home due to the fact that their present home likely has a relatively low mortgage interest rate. In addition, the new home would likely have a higher interest rate on a new mortgage loan as well as a higher purchase price and property taxes. Such considerations may decrease the desire for move-up households to purchase a new home. The foregoing factors could reduce demand for and/or the ability to achieve the sales prices of the planned for-sale homes within the District as described herein.

Limited Obligations

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

COVID-19 (Coronavirus) Pandemic

In mid-March 2020, both the State and the County took actions designed to mitigate the spread of strains of coronavirus that cause a disease commonly referred to as COVID-19 (“COVID-19”), including requiring the temporary closure of non-essential businesses. Although such restrictions on business have been lifted, additional actions that may be taken by governmental authorities to contain future outbreaks of COVID-19 or to treat its impacts are uncertain. While development activity within the District has continued without material delays since the onset of the COVID-19 outbreak, the impact of the COVID-19 outbreak could adversely impact development within the District in the future, including, but not limited to, one or more of the

following ways: (i) potential supply chain slowdowns or shutdowns resulting from the unavailability of workers in locations producing construction materials; (ii) slowdowns or shutdowns by local governmental agencies in providing governmental permits, inspections, title and document recordation, and other services and activities associated with real estate development; (iii) delays in construction where one or more members of the workforce becomes infected with COVID-19; (iv) extreme fluctuations in financial markets and contraction in available liquidity; (v) extensive job losses and declines in business activity across important sectors of the economy; (vi) declines in business and consumer confidence that negatively impact economic conditions; (vii) the failure of government measures to counteract the economic impact of the pandemic; (viii) delays in sales or fewer sales due to lower traffic at model home complexes and real estate offices; and (ix) delays in sales, or cancellations, due to mortgage lending issues. Any adverse impact of COVID-19 on the District, and the operations, finances and ability of the Developer and the merchant builders to complete their respective development activities within in the District as planned, future homebuyers' willingness and ability to pay Special Taxes when due, and the real estate market in general cannot be predicted.

Insufficiency of Special Taxes

Under the Rate and Method, the annual amount of Special Tax to be levied on each taxable parcel in the District will generally be based on the land use class to which a parcel of Developed Property is assigned. See APPENDIX A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX” and “SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Rate and Method of Apportionment of Special Tax.*”

In order to pay debt service on the Bonds, it is necessary that the Special Taxes be paid in a timely manner. The District will establish and fund upon the issuance of the Bonds a Reserve Account of the Special Tax Fund in an amount equal to the Reserve Requirement to pay debt service on the Bonds to the extent other funds are not available. See “SOURCES OF PAYMENT FOR THE BONDS — Reserve Account of the Special Tax Fund.” The District will covenant to maintain in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement subject, however, to the limitation that the District may not levy the Special Tax in the District in any fiscal year at a rate in excess of the maximum amounts permitted under the Rate and Method. As a result, if a significant number of delinquencies occurs, the District could be unable to replenish the Reserve Account of the Special Tax Fund to the Reserve Requirement due to the limitations on the maximum Special Tax. If such defaults were to continue in successive years, the Reserve Account of the Special Tax Fund could be depleted and a default on the Bonds could occur.

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

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds (if the Reserve Account of the Special Tax Fund has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the District of the proceeds of sale. The District may adjust the future Special Tax levied on taxable parcels in the District, subject to the limitation on the maximum Special Tax, to provide an amount required to pay interest on, principal of, and redemption premiums, if any, on the Bonds, and the amount, if any, necessary to replenish the Reserve Account of the Special Tax Fund to an amount equal to the Reserve Requirement and to pay all current expenses; provided, however, that the Act and the Rate and Method provide that under no circumstances will the Special Tax levied in a Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year as a consequence of delinquency or default by the owner of any

other Assessor's Parcel within the District. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against taxable parcels in the District will be at all times sufficient to pay the amounts required to be paid by the Indenture, even if the Special Tax is levied at the maximum Special Tax rates. See "—Bankruptcy and Foreclosure" for a discussion of potential delays in foreclosure actions.

The Rate and Method governing the levy of the Special Tax provides that no Special Tax shall be levied on Assessor's Parcels of Conservation Property, Property Owner Association Property, Public Property and/or Religious Property; provided that an Assessor's Parcel shall not be exempt and shall be classified as Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property and/or Taxable Religious Property if exempting such property would reduce the sum of all property subject to the Special Tax within the applicable Zone below the corresponding minimum taxable Acreage amount listed Tables 11 and 12 in Appendix A. See Section E of APPENDIX A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." If for any reason property within the District becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government or another public agency, subject to the limitations of the maximum authorized rates, the Special Tax will be reallocated to the remaining taxable properties within the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the ability and willingness of the owners of such property to pay the Special Tax when due.

The Act provides that, if any property within the District not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts. Due to problems of collecting taxes from public agencies, if a substantial portion of land within the District was to become owned by public agencies, collection of the Special Tax might become more difficult and could result in collections of the Special Tax which might not be sufficient to pay principal of and interest on the Bonds when due and a default could occur with respect to the payment of such principal and interest.

Teeter Plan Termination

In 1993, the County implemented its Teeter Plan as an alternate procedure for the distribution of certain property tax and assessment levies on the secured roll. Pursuant to its Teeter Plan, the County has elected to provide local agencies and taxing areas, including the District, with full tax and assessment levies instead of actual tax and assessment collections. In return, the County is entitled to retain all delinquent tax and assessment payments, penalties and interest. Thus, the County's Teeter Plan may protect the Owners of the Bonds from the risk of delinquencies in the payment of Special Taxes. However, the County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the local agencies and taxing areas covered thereby. A termination of the Teeter Plan with respect to the District would eliminate such protection from delinquent Special Taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Teeter Plan."

Failure to Develop Properties

Development of property within the District may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of the merchant builders, or any property owner to pay the Special Taxes when due. Land development is subject to comprehensive federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. There is always the possibility that such approvals

will not be obtained or, if obtained, will not be obtained on a timely basis. Failure to obtain any such agency approval or satisfy such governmental requirements would adversely affect planned land development. Development of land in the District is also subject to the availability of water. Finally, development of land is subject to economic considerations.

The Developer reports that the area included in the District has been graded and major infrastructure (sewer, water, storm drains, utilities, and arterial roads) to be installed by the Developer within the first phase of development in the District has been substantially completed. Remaining backbone infrastructure required for the second phase of development in the District include roadways and traffic improvements, park improvements and landscaping.

Merchant builders have acquired or are under contract to acquire all of the land planned for residential development of homes. A majority of the residential lots owned by the merchant builders are in a finished lot condition and certain of the merchant builders have commenced construction of model and/or production homes. No assurance can be given that the remaining proposed development will be partially or fully completed; and for purposes of evaluating the investment quality of the Bonds, prospective purchasers should consider the possibility that such parcels will remain unimproved.

Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Bondowners should it be necessary for the District to foreclose on the property due to the nonpayment of Special Taxes. The failure to complete development of the required infrastructure for development in the District as planned, or substantial delays in the completion of the development of the required infrastructure for the development due to litigation or other causes may reduce the value of the property within the District and increase the length of time during which Special Taxes will be payable from undeveloped property, and may affect the willingness and ability of the owners of property within the District to pay the Special Taxes when due.

There can be no assurance that land development operations within the District will not be adversely affected by future deterioration of the real estate market and economic conditions or future local, State and federal governmental policies relating to real estate development, an increase in mortgage interest rates, the income tax treatment of real property ownership, or the national economy. A slowdown of the development process and the absorption rate could adversely affect land values and reduce the ability or desire of the property owners to pay the annual Special Taxes. In that event, there could be a default in the payment of principal of, and interest on, the Bonds when due.

Bondowners should assume that any event that significantly impacts the ability to develop land in the District would cause the property values within the District to decrease substantially from those estimated by the Appraiser and could affect the willingness and ability of the owners of land within the District to pay the Special Taxes when due.

The District will levy Special Taxes on Undeveloped Property for Fiscal Year 2022-23 and expects to levy Special Taxes on Undeveloped Property in future fiscal years until the Special Taxes levied on Developed Property are sufficient to fund the Special Tax Requirement. Undeveloped Property is less valuable per unit of area than Developed Property, especially if there are no plans to develop such land or if there are severe restrictions on the development of such land. The Undeveloped Property also provides less security to the Bondowners should it be necessary for the District to foreclose on Undeveloped Property due to the nonpayment of the Special Taxes. Furthermore, an inability to develop the land within the District as currently proposed will make the Bondowners dependent upon timely payment of the Special Taxes levied on Undeveloped Property. A slowdown or stoppage in the continued development of the District could reduce the willingness and ability of the merchant builders, or any successors, to make Special Tax payments on Undeveloped Property and could greatly reduce the value of such property in the event it has to be foreclosed upon. See “— Land Values.”

No Representation as to Merchant Builders

No representation is made as to the experience, abilities or financial resources of the merchant builders who currently own property in the District or of any other purchaser or potential purchaser of property in the District or the likelihood that such merchant builders, purchasers or potential purchasers will be successful in developing such purchased properties within the District beyond the stage of development reached by the Developer. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT — The Development.” The description of expected development by merchant builders in this Official Statement is based on information provided to the District by the Developer and the Appraiser, and none of the merchant builders have provided any information to the District or the County in connection with the preparation of this Official Statement. In making an investment decision, purchasers of the Bonds should not assume that such merchant builders or such other persons or entities that purchase property within the District will develop such properties beyond the current stage of development reached by the Developer and the merchant builders.

Natural Disasters

The District, like all California communities, may be subject to unpredictable seismic activity, fires, floods, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads, bridges and property within the District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. The property within the District is not located in a Fault-Rupture Hazard Zone (formerly known as an Alquist-Priolo Special Study Zone). A number of faults are located in Southern California and throughout California; thus, the District may be subject to severe ground shaking during earthquakes. Additionally, the District is not located in a flood plain area.

In recent years, wildfires have caused extensive damage throughout the State, including to a limited degree within the County. In some cases outside of the County, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The Rienda development, including the property within the District is located adjacent to open space terrain which the Department of Forestry and Fire Protection of the State of California has designated as very high fire hazard severity zone. The area also experiences high winds known as Santa Ana winds which frequently accompany and magnify the intensity of wildfires.

The Developer acknowledges the severity and risks of local wildfires, and although large master-planned communities built to State standards are increasingly recognized as less prone to wildfire damage, the Developer has made significant efforts to mitigate this risk. The Villages of Sendero and Esencia are master-planned communities developed by affiliates of the Developer located in the Ranch. The Villages of Sendero and Esencia have received designation by the National Fire Protection Association (NFPA) as Firewise USA communities in recognition of the Developer’s fire protection planning and proactive approach to reducing wildfire risk in such communities. Firewise USA is a nationwide program which aims to educate communities about fire preparedness and how citizens can work together to limit the impacts of wildfires. The recognition of the Villages of Sendero and Esencia as Firewise USA communities is the result of years of collaboration by affiliates of the Developer with Orange County Fire Authority (OCFA) to ensure such developments exceeds State requirements for wildfire protection. Since the NFPA only grants this designation to communities with residents, the Developer currently anticipates that this Firewise USA designation will be forthcoming this summer as residents begin to move into the District.

The County, the OCFA and the Developer prepared a three-party agreement called the “Ranch Plan Fire Protection Program” which was adopted by the County Board of Supervisors in 2007 and has been amended from time-to-time (as amended, the “Fire Protection Plan”). The purpose of the Fire Protection Plan was to set forth certain fire protection measures to be implemented within the Ranch development (including the District). The

Fire Protection Program has been designed based on research and fire behavior modeling, restrictive home construction, community design requirements, landscape material prohibitions and maintenance monitoring. Among other measures, the Fire Protection Plan provides for a 110-foot wide “Fuel Modification Zone” that will run along the boundary of the District and limits the type of vegetation that may be planted within such Fuel Modification Zone. The Fuel Modification Zone is subject to inspection by the OCFA and is expected to be maintained by the property owner’s association within the District. Notwithstanding the foregoing mitigation measures, there is a risk of residential property within the District being destroyed by wildfires and no assurance can be given as to the severity or frequency of wildfires within the vicinity of the District.

In the event of a severe earthquake, wildfire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Endangered/Threatened Species

During the 1990s, there was an increase in activity at the State and federal level related to the possible listing of certain plant and animal species found in the Southern California area as endangered or threatened species. In response to this activity, several large landowners began an effort to move away from “species by species” entitlement to multiple species entitlement, in order to minimize the risk of future species listings and maximize the certainty of development. The Original Property Owners are some of such landowners. The Original Property Owners are permittees under the Southern Subregion Habitat Conservation Plan (“SSHCP”) which addresses seven (7) federally listed species and twenty-five (25) sensitive species. The Rancho Mission Viejo Ranch Plan Planned Community is permitted by the SSHCP. Accordingly, such development within the District is in compliance with this habitat conservation plan and is not anticipated to be impeded as a result of endangered or threatened species.

Hazardous Substances

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the taxed parcels be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming the owner, will become obligated to remedy the condition just as is the seller.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling such substance. All of these possibilities could significantly affect the value of a parcel that is realizable upon a delinquency and the willingness or ability of the owner of any parcel to pay the Special Tax installments.

The value of the taxable property within the District, as set forth in the various tables in this Official Statement, does not reflect the presence of any hazardous substance or the possible liability of the owner (or

operator) for the remedy of a hazardous substance condition of the property. The Developer has represented to the District that it is not aware of any hazardous substance condition of the property within the District. The District has not independently verified, but is not aware, that any owner (or operator) of any of the parcels within the District has such a current liability with respect to any such parcel. However, it is possible that such liabilities do currently exist and that the District is not aware of them.

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

An owner of a taxable parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation which is secured only by a lien against the taxable parcel. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the Special Tax, the District has no recourse against the property owner.

Property Values

The value of the property within the District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Special Taxes, the District's only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the Special Taxes. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the Special Taxes. See "THE COMMUNITY FACILITIES DISTRICT — Appraised Value-to-Lien Ratios."

The Appraiser has estimated, on the basis of certain definitions, assumptions and limiting conditions contained in the Appraisal Report that as of April 14, 2022, the market value of the land and improvements within the District was approximately \$385,930,000. The Appraisal Report is based on a number of assumptions and limiting conditions as stated in APPENDIX B — "APPRAISAL REPORT." The Appraisal Report does not reflect any possible negative impact which could occur by reason of future slow or no growth voter initiatives, an economic downturn, any potential limitations on development occurring due to time delays, an inability of any landowner to obtain any needed development approval or permit, the presence of hazardous substances or other adverse soil conditions within the District, the listing of endangered species or the determination that habitat for endangered or threatened species exists within the District, or other similar situations.

Prospective purchasers of the Bonds should not assume that the land and improvements within the District could be sold for the amount stated in the Appraisal Report at a foreclosure sale for delinquent Special Taxes. In arriving at the estimate of market value, the Appraiser assumes that any property will be sold in a competitive market after a reasonable exposure time, and assuming that neither the buyer or seller is under duress, which is not always present in a foreclosure sale. See APPENDIX B — "APPRAISAL REPORT" for a description of other assumptions made by the Appraiser and for the definitions and limiting conditions used by the Appraiser. Any event which causes one of the Appraiser's assumptions to be untrue could result in a reduction of the value of the land within the District from that estimated by the Appraiser.

The assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its current owner, adjusted annually by an amount determined by the County Assessor, generally not to exceed an increase of more than 2% per fiscal year. No assurance can be given that a parcel could actually be sold for its assessed value.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See APPENDIX E — "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — COVENANTS AND WARRANTY — Covenants — Commence Foreclosure Proceedings."

Parity Taxes and Special Assessments

Property within the District is subject to taxes and assessments imposed by other public agencies also having jurisdiction over the land within the District. See “THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Indebtedness.”

The Special Taxes and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property except, possibly, for liens or security interests held by the Federal Deposit Insurance Corporation or other federal agencies. See “— FDIC/Federal Government Interest in Properties” and “— Bankruptcy and Foreclosure.”

Neither the District nor the County has control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within the District. In addition, the landowners within the District may, without the consent or knowledge of the District, petition other public agencies to issue public indebtedness secured by special taxes and *ad valorem* taxes or assessments. Any such special taxes or assessments may have a lien on such property on a parity with the Special Taxes and could reduce the estimated value-to-lien ratios for the property within the District described herein. See “SOURCES OF PAYMENT FOR THE BONDS” and “THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Indebtedness” and “— Appraised Value to Lien Ratios.”

Disclosures to Future Purchasers

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

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

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, will be billed to the properties within the District on the regular *ad valorem* property tax bills sent to owners of such properties by the County Tax Collector. The Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments.

See APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — COVENANTS AND WARRANTY — Covenants — Commence Foreclosure Proceedings” for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Indenture, in the event of delinquencies in the payment of Special Taxes. See “— Bankruptcy and Foreclosure” for a discussion of the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes and assessment and limitations on the District’s ability to foreclosure on the lien of the Special Taxes in certain circumstances.

FDIC/Federal Government Interests in Properties

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

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

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the District but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

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

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

FDIC. In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited. The FDIC’s policy statement regarding the payment of state and local real property taxes (the “Policy Statement”) provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property’s value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution’s affairs, unless abandonment of the FDIC’s interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including

interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

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

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Reserve Account and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Bankruptcy and Foreclosure

Bankruptcy, insolvency and other laws generally affecting creditors' rights could adversely impact the interests of owners of the Bonds in at least two ways. First, the payment of property owners' taxes and the ability of the District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—*Proceeds of Foreclosure Sales.*" In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

Second, the Bankruptcy Code might prevent moneys on deposit in the Acquisition and Construction Fund from being applied to pay interest on the Bonds and/or to redeem Bonds if bankruptcy proceedings were brought by or against a landowner or other party and if the court found that the landowner or other party had an interest in such moneys within the meaning of Section 541(a)(1) of the Bankruptcy Code.

Although a bankruptcy proceeding would not cause the Special Taxes to become extinguished, the amount of any Special Tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in prosecuting Superior Court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of delinquent Special Tax installments and the possibility of delinquent Special Tax installments not being paid in full.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on the property. Although the court upheld the priority of unpaid taxes imposed before the bankruptcy petition, unpaid taxes imposed after the filing of the bankruptcy petition were declared to be "administrative expenses" of the

bankruptcy estate, payable after all secured creditors. As a result, the secured creditor was able to foreclose on the property and retain all the proceeds of the sale except the amount of the pre-petition taxes.

The Bankruptcy Reform Act of 1994 (the “Bankruptcy Reform Act”) included a provision which exempts from the Bankruptcy Code’s automatic stay provisions, “the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state if such tax comes due after the filing of the petition [by a debtor in bankruptcy court].” This amendment effectively makes the *Glasply* holding inoperative as it relates to *ad valorem* real property taxes. However, it is possible that the original rationale of the *Glasply* ruling could still result in the treatment of post-petition special taxes as “administrative expenses,” rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings.

According to the court’s ruling, as administrative expenses, post-petition taxes would be paid, assuming that the debtor had sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise), it would at that time become subject to current *ad valorem* taxes.

The Act provides that the Special Taxes are secured by a continuing lien which is subject to the same lien priority in the case of delinquency as *ad valorem* taxes. No case law exists with respect to how a bankruptcy court would treat the lien for Special Taxes levied after the filing of a petition in bankruptcy court. *Glasply* is controlling precedent on bankruptcy courts in the State. If the *Glasply* precedent was applied to the levy of the Special Taxes, the amount of Special Taxes received from parcels whose owners declare bankruptcy could be reduced.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture or in the event interest on the Bonds becomes included in gross income for federal income tax purposes. Pursuant to the Indenture, an owner is given the right for the equal benefit and protection of all owners of the Bonds similarly situated to pursue certain remedies described in APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — EVENTS OF DEFAULT; REMEDIES” and “— Limitations on Rights and Remedies of Owners.”

Loss of Tax Exemption

As discussed under the caption “TAX MATTERS” herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the District in violation of its covenants in the Indenture with respect to compliance with certain provisions of the Internal Revenue Code of 1986. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed under the redemption provisions contained in the Indenture.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the District has committed to provide certain statutorily required financial and operating information, there can be no assurance that such information will be available to Bondowners on a timely basis. See “CONTINUING DISCLOSURE.” Any failure to provide annual financial information, if required, does not give rise to monetary damages but merely

an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Proposition 218

An initiative measure commonly referred to as the “Right to Vote on Taxes Act” (the “Initiative”) was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Article XIII C and Article XIII D to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” The provisions of the Initiative as they may relate to community facilities district are subject to interpretation by the courts. The Initiative could potentially impact the Special Taxes available to the District to pay the principal of and interest on the Bonds as described below.

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

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

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

It may be possible, however, for voters or the Board of Supervisors acting as the legislative body of the District to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses. Nevertheless, to the maximum extent that the law permits it to do so, the District will covenant that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates on parcels within the District. In connection with the foregoing covenant, the District will make an express determination that any elimination or reduction of Special Taxes below the foregoing level would interfere with the timely retirement of the Bonds. The District will also covenant that, in the event an initiative is adopted which purports to alter the Rate and Method, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

The interpretation and application of Article XIII C and Article XIII D will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to

predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See “SPECIAL RISK FACTORS — Limitations on Remedies.”

Litigation with Respect to Community Facilities Districts

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

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

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

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

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

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

The Special Tax Election in the District. With respect to the San Diego Decision, the facts of such case show that there were thousands of registered voters within the CCFD (*viz.*, all of the registered voters in San Diego). The elections held in the District had less than 12 registered voters at the time of the election to authorize the Special Taxes. In the San Diego Decision, the court expressly stated that it was not addressing

the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the court's holding in the San Diego Decision does not apply to the Special Tax election in the District. Moreover, Section 53341 of the Act provides that any "action or proceeding to attack, review, set aside, void or annul the levy of a special tax...shall be commenced within 30 days after the special tax is approved by the voters." Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds. The petitioners in *Horizon* filed the writ of mandate within 30 days of the landowner election. Voters in the District at the time the District was established approved the Special Tax on November 23, 2021 and the property owners within the area subsequently annexed to the District unanimously approved the levy of the Special Tax on their respective property on March 8, 2022. Based on Sections 53341 and 53359 of the Act and analysis of existing laws, regulations, rulings and court decisions, the District believes that no successful challenge to the Special Tax being levied in accordance with the Rate and Method may now be brought.

Ballot Initiatives

Articles XIII A, XIII B, XIII C and XIII D were adopted pursuant to measures qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. On March 6, 1995, in the case of *Rossi v. Brown*, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the County, or local districts to increase revenues or to increase appropriations or on the ability of the Developer or the merchant builders within the District to complete the remaining proposed development within the District.

Limitations on Remedies

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

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion and by limitations on remedies against public agencies in the State of California. The Bonds are not subject to acceleration. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners.

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

Property owners within the District are permitted to prepay their Special Taxes at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping community facilities district. Such prepayments will result in a redemption of the Bonds on the Interest Payment Date for which timely notice may be given under the Indenture following the receipt of the prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See the caption "THE BONDS—Redemption— *Extraordinary Redemption from Special Tax Prepayments.*"

Cybersecurity

The County, like other public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. Such incidents can result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the County's information technology systems to misappropriate assets or information or to cause operational disruption and damage. The County and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, distributed denial-of-service, and other attacks on computers, networks, and systems. The County has not experienced a major cyberattack that resulted in a material compromise of the system, data loss, or financial loss.

In 2014, the County created the Cybersecurity Joint Task Force ("CSJTF") comprised of County department operations, policy and Information Technology (IT) staff. The CSJTF meets monthly and has produced the County Cybersecurity Best Practices Manual and has been actively involved in the review and approval of the County Cybersecurity Policy, which was revised most recently in May 2021. The CSJTF has also developed, reviewed and approved Countywide Security policies, plans and guidelines.

In 2017, the Board of Supervisors authorized the Chief Information Officer to execute a contract with Tevera Business Solutions, Inc. to conduct a Countywide cybersecurity assessment and audit of all departments. Such assessment and audit was based on 10 security domains established by the Department of Homeland Security (DHS) Cyber Resilience Review (CRR), Vulnerability Assessment, and On-site Validation of Physical Security Controls.

As a result of such assessment and audit, the County bolstered its cybersecurity efforts with additional personnel dedicated to cybersecurity, robust software and hardware protections, and ongoing training for County employees. The County established a Security Operations Center with cybersecurity professionals for cyber-attack monitoring, investigation, and response. The County has deployed the Security Information & Event Management (SIEM) system which enable security administrators to collect log data of all events from a wide variety of network devices in the County to identify and report on security threats and suspicious behavior. Further, the County cybersecurity efforts have increased with respect to both software and hardware, including incorporating web applications to the monthly security vulnerability scanning efforts, implementing web application firewalls for prevention/detection/response, integrating ransomware-proof (immutable storage) backup appliances to enterprise data backups, incorporating web access protections to protect remote system/user functionality, establishing privileged account management (PAM) to govern the use of administrator accounts, increasing endpoint (laptop, desktop, cellphone) security and management capabilities, and expanding email security to include inter-county emails and prevent internal infection among others. Through the Enterprise Privacy & Cybersecurity Program, the County requires a mandatory cybersecurity awareness training for all County employees and utilizes recurring cybersecurity incident response exercises to keep County employees vigilant.

No assurances can be given that the County's security and operational control measures will ensure against any and all cybersecurity threats and attacks. A cybersecurity incident or breach could damage the County's Information Technology systems and cause disruption to County services and operations. Although the County carries cyber liability insurance in the amount of \$10 million, the cost of any such disruption or remedying damage caused by future attacks could be substantial. The County will continue to assess cyber threats and protect its data and systems.

The County is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation, the Trustee. No assurance can be given that the County and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

CONTINUING DISCLOSURE

District Continuing Disclosure

Pursuant to a Continuing Disclosure Certificate (the “District Continuing Disclosure Certificate”), the District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) website, or other repository authorized under Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission, certain annual financial information and operating data concerning the District. The District Reports are to be filed not later than March 1 of each year, beginning March 1, 2023. The District Reports will include the audited financial statements of the District, if any are prepared. The District does not currently prepare audited financial statements and does not anticipate doing so in the future. The full text of the District Continuing Disclosure Certificate is set forth in APPENDIX F — “FORM OF CONTINUING DISCLOSURE CERTIFICATE OF THE DISTRICT.”

Notwithstanding any provision of the Indenture, failure of the District to comply with the District Continuing Disclosure Certificate shall not be an event of default under the Indenture. However, any Owner or Beneficial Owner of the Bonds may take such action as is necessary and appropriate, including seeking mandate or a judgment for specific performance, to cause the District to comply with its obligations with respect to the District Continuing Disclosure Certificate.

The County and its related entities have entered into continuing disclosure undertakings pursuant to the Rule to provide updated annual financial information and notices of certain events in connection with the issuance of municipal obligations. On August 29, 2018, S&P Global Ratings upgraded the rating for the Community Facilities District No. 2004-1 of the County of Orange (Ladera Ranch) Series 2014A Special Tax Refunding Bonds. The notice of such rating change was not timely filed and was subsequently filed on September 17, 2018.

The official statement delivered in connection with the County’s Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds Group One (the “Assessment District Bonds”) disclosed to investors that the County would file Annual Reports for the Assessment District Bonds by May 1 of each year. However, due to a typographical error, the continuing disclosure certificate executed by the County in connection with the Assessment District Bonds stated that the annual reports would be provided by November 1 of each year. The County has filed the annual reports for the Assessment District Bonds by May 1 of each year as disclosed in the official statement. The Assessment District Bonds were defeased in January 2018 and are no longer outstanding.

The County will assist the District in preparing the District Reports. In order to ensure ongoing compliance by the District with its continuing disclosure undertaking, (i) County staff will take steps to ensure that the filing due date is correctly documented in policies and procedures and a single County staff member has been assigned primary responsibility to monitor compliance; and (ii) the County has contracted with a consultant to assist in filing accurate, complete and timely disclosure reports on behalf of the District.

Developer Continuing Disclosure

To provide updated information with respect to the development within the District, the Developer will enter into a Continuing Disclosure Agreement of the Developer (the “Developer Continuing Disclosure Agreement”) by and between the Developer and DTA, Inc., as dissemination agent, and will covenant to provide an Annual Report not later than June 15 of each year beginning June 15, 2023, and a Semiannual Report on each December 15, beginning December 15, 2022, until satisfaction of certain conditions set forth in the Developer Continuing Disclosure Agreement. The Annual Report provided by the Developer and the Semiannual Report will contain updates regarding the development within the District as outlined in Section 4 of the Developer Continuing Disclosure Agreement attached as Appendix G. In addition to its Annual Reports

and Semiannual Reports, the Developer will agree to provide notices of certain events set forth in the Developer Continuing Disclosure Agreement.

The Developer's obligations under the Developer Continuing Disclosure Agreement will terminate upon the earliest to occur of: (a) the legal defeasance, prior redemption or payment in full of all the Bonds; or (b) (1) with respect to updates of the number building permits issued, at such time that 75% of the building permits for the planned residential development within the District have been issued, and (2) with respect to the updates of information described in Section 4 of the Developer Continuing Disclosure Agreement other than the number of building permits issued, at such time that ninety percent (90%) of the public improvements to be constructed by the Developer as described under the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT—The Development" have been completed, based on costs expended.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Beneficial Owner will increase the Beneficial Owner's basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Beneficial Owner of a Bond is excluded from the gross income of such Beneficial Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District, the County and others and is subject to the condition that the District, the County and others making such representations comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the County will covenant to comply with all such requirements.

The amount by which a Beneficial Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Beneficial Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Beneficial Owner realizing a taxable gain when a Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Beneficial Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected

for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of other similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District and the County continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

Should interest on the Bonds (including any original issue discount) become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix C.

LEGAL MATTERS

The legal opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, approving the validity of the Bonds in substantially the form set forth as APPENDIX C hereto, will be made available to purchasers at the time of original delivery. Certain legal matters will be passed upon for the District and the County by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel and for the Underwriters by Best Best & Krieger LLP, Riverside California, as counsel to the Underwriters. Bond Counsel expresses no opinion

Attachment C

to the Owners of the Bonds as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the Bonds and expressly disclaims any duty to do so.

VALIDATION

On December 22, 2021, the County, acting pursuant to the provisions of Sections 860 et seq. of the California Code of Civil Procedure and Government Code Section 53359, filed a complaint in the Superior Court of the State of California for the County of Orange seeking judicial validation of the formation of the District, the authorization of the issuance of bonds for the District and the levy of the special tax within the District. On June 9, 2022, the court entered the Validation Judgment to the effect, among other things, that the proceedings conducted by the Board of Supervisors in connection with the establishment of the District, the authorization to incur bonded indebtedness for the District through the issuance of bonds and the levy of the special tax within the District were valid and in conformity with the Constitution of the State and applicable laws of the State. The last day of the appeal period for the validation action was July 13, 2022. As of the date of this Official Statement, no appeal has been filed with respect to the Validation Judgment. In issuing the opinion as to the validity of the Bonds and as a condition thereof, Bond Counsel will rely upon the entry of the Validation Judgment and the absence of a timely appeal therefrom. See APPENDIX C—"PROPOSED FORM OF BOND COUNSEL OPINION."

ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds and a certificate of the District to that effect will be furnished to the Underwriters at the time of the original delivery of the Bonds. Neither the County nor the District is aware of any litigation pending or threatened which questions the existence of the District or the County or contests the authority of the District to levy and collect the Special Taxes or to issue and retire the Bonds.

NO RATING

The District has not made and does not contemplate making application to any rating agency for the assignment of a rating to the Bonds.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co., as representative of itself and RBC Capital Markets, LLC (together, the "Underwriters"). The Underwriters have agreed to purchase the Bonds at a price of \$_____ (being \$_____ aggregate principal amount thereof, plus net original issue premium of \$_____ and less Underwriters' discount of \$_____). The purchase contract relating to the Bonds provides that the Underwriters will purchase all of the Bonds, if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by counsel and certain other conditions.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the offering price stated on the cover page thereof. The offering price may be changed from time to time by the Underwriters.

RBC Capital Markets, LLC ("RBC") and its affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBC and its affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBC and its affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. RBC and its affiliates may make a market in credit default swaps

with respect to municipal securities in the future. RBC and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

FINANCIAL INTERESTS

The fees being paid to the Underwriters, Bond Counsel, Disclosure Counsel, Municipal Advisor to the County, the Trustee and Underwriters' Counsel are contingent upon the issuance and delivery of the Bonds. The fees being paid to the Appraiser, to the Market Absorption Consultant and to the Special Tax Consultant are not contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel represents the Underwriters on matters unrelated to the Bonds.

PENDING LEGISLATION

The District is not aware of any significant pending legislation which would have material adverse consequences on the Bonds or the ability of the District to pay the principal of and interest on the Bonds when due.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The execution and delivery of this Official Statement by the County Executive Officer has been duly authorized by the Board of Supervisors of the County of Orange acting in its capacity as the legislative body of the District.

COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF
THE COUNTY OF ORANGE (RIENDA)

By: _____
County Executive Officer

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Taxes of Community Facilities District No. 2021-1 of the County of Orange (Rienda) (the “District”). An Annual Special Tax shall be levied on and collected in the District each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property in the District, 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 Special Tax as hereinafter defined shall be levied on all Assessor’s Parcels in Community Facilities District No. 2021-1 of the County of Orange (Rienda) (“CFD No. 2021-1”) and collected each Fiscal Year commencing in Fiscal Year 2022-2023, in an amount determined by the Board through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2021-1, 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 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 shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2021-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the County or designee thereof or both); the costs of collecting the Special Taxes (whether by the County 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 County, CFD No. 2021-1 or any designee thereof of complying with arbitrage rebate requirements; the costs to the County, CFD No. 2021-1 or any designee thereof of complying with disclosure requirements of the County, CFD No. 2021-1 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 County, CFD No. 2021-1 or any designee thereof related to an appeal of any Special Tax levy; the costs associated with the release of funds from an escrow account; and the County’s annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated by the CFD Administrator or advanced by the County or CFD No. 2021-1 for any other administrative purposes of CFD No. 2021-1, including attorney’s fees and other costs related to commencing and pursuing to completion any foreclosure action to collect delinquent Special Taxes.

“**Assessor’s Parcel**” means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s parcel number.

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

“Assigned Special Tax” means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.(b) and Section C.1.(e) below.

“Backup Special Tax” means the Special Tax applicable to each Assessor’s Parcel of Developed Property, as determined in accordance with Section C.1 .(d) and Section C.1.(e) below.

“Board” means the Board of Supervisors of the County of Orange, acting as the legislative body of CFD No. 2021-1.

“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. 2021-1 and secured by Special Taxes of CFD No. 2021-1 under the Act.

“CFD Administrator” means the County Executive Officer, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“CFD No. 2021-1” means Community Facilities District No. 2021-1 of the County of Orange (Rienda).

“Conservation Property” means, for each Fiscal Year, any Assessor’s Parcel within the boundaries of CFD No. 2021-1, excluding Property Owner Association Property, Public Property and Religious Property, that is subject to a declaration of irrevocable covenant, conservation easement deed, or similar document that was recorded restricting the use of such property to open space, habitat preservation, or other conservation purposes as of January 1 of the prior Fiscal Year. In order to ensure that such property is correctly classified as Conservation Property, the owner of such property shall provide the CFD Administrator with a copy of a declaration of irrevocable covenant, conservation easement deed, or similar document.

“County” means the County of Orange.

“Developed Property” means, for each Fiscal Year, all Taxable Property, exclusive of Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, and Taxable Religious Property, for which a building permit for new construction was issued prior to January 1 of the prior Fiscal Year. Notwithstanding the foregoing, (a) if a building permit is revoked, expired or otherwise cancelled and a new building permit is issued for the same property prior to the issuance of Bonds, then the building square footage and building type as indicated on the new building permit shall thereafter be used for purposes of determining the Land Use Class, (b) if a building permit is revoked, expired or otherwise cancelled and a new building permit is issued for the same property after the issuance of Bonds, and the amount of Assigned Special Taxes which may be levied pursuant to the new building permit is greater than the Assigned Special Taxes which may be levied pursuant to the original building permit, then the building square footage and building type as indicated on the new building permit shall thereafter be used for purposes of determining the Land Use Class, otherwise the Land Use Class pursuant to the original building permit shall continue to be used, and (c) if a building permit is revoked, expired or otherwise cancelled and no new building permit is issued for the same property, then the property will continue to be considered Developed Property and taxed based on the original building permit.

“Exempt Welfare Exemption Property” means, for each Fiscal Year, an Assessor’s Parcel that is (a) receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County’s assessor’s roll finalized as of January 1 of the previous Fiscal Year, and (b) exempt from the Special Tax pursuant to Section 53340(c) of the Act.

Attachment C

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

“Indenture” means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use Class” means any of the classes within each Zone listed in Tables 1 through 8 below.

“Maximum Special Tax” means for each Fiscal Year for each Assessor’s Parcel, the maximum Special Tax, determined in accordance with Section C below, that can be levied on such Assessor’s Parcel in such Fiscal Year.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit(s) was issued for a non-residential use.

“Outstanding Bonds” means all Bonds which are deemed to be outstanding under the Indenture.

“Property Owner Association Property” means, for each Fiscal Year, any Assessor’s Parcel within the boundaries of CFD No. 2021-1 that is owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association as of January 1 of the prior Fiscal Year. Notwithstanding the foregoing, any property previously classified as Developed Property and subsequently owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association, shall remain classified as Developed Property.

“Proportionately” means for Developed Property that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor’s Parcels of Developed Property within CFD No. 2021-1. 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 in CFD No. 2021-1. For Taxable Conservation Property, Taxable Property Owner Association Property, and Taxable Religious 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 Taxable Conservation Property, Taxable Property Owner Association Property, or Taxable Religious Property, as applicable, in CFD No. 2021-1. For Taxable Public 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 Taxable Public Property, as applicable, in CFD No. 2021-1.

“Public Property” means, for each Fiscal Year, any Assessor’s Parcel within the boundaries of CFD No. 2021-1 that is used for rights-of-way or any other purpose and is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the County or any other public agency as of January 1 of the prior Fiscal Year; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use. In order to ensure that such property is correctly classified as Public Property, the owner of such property shall provide the CFD Administrator with a copy of any applicable documents.

“Religious Property” means, for each Fiscal Year, any Assessor’s Parcel within the boundaries of CFD No. 2021-1 which (i) is either (a) used primarily as a place of worship or (b) vacant land or land under construction that is intended to be used primarily as a place of worship as determined by the CFD Administrator; and (ii) is exempt from *ad valorem* property taxes because it is owned by a religious organization as of January 1 of the prior Fiscal Year. Religious Property, without limitation, does not include any Assessor’s Parcels used primarily for religious schools, day care centers, or congregate care facilities.

“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 shall be made by reference to the building permit(s) issued for such Assessor’s Parcel.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

“Special Tax Requirement” means for each Fiscal Year, that amount required for CFD No. 2021-1 to pay the sum of: (i) debt service on all Outstanding Bonds or Bonds expected to be issued in such Fiscal Year; (ii) periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) Administrative Expenses; (iv) any amounts required to establish or replenish any reserve funds for all Outstanding Bonds or Bonds expected to be issued in such Fiscal Year by CFD No. 2021-1; and (v) any amounts required for construction of facilities eligible to be constructed or acquired by CFD No. 2021-1 under the Act provided that inclusion of such amount does not increase the amount of Special Taxes to be levied on Assessor’s Parcels of Undeveloped Property. In arriving at the Special Tax Requirement, the CFD Administrator shall take into account the reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and shall give a credit for funds available to reduce the annual Special Tax levy.

“State” means the State of California.

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

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2021-1 which are not exempt from the Special Tax pursuant to law or Section E below.

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

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

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

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

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

“Zone” means any one of the separate geographic areas within CFD No. 2021-1 as designated on the recorded boundary map for CFD No. 2021-1 (including any annexation map).

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within Zones 1 through 8 of CFD No. 2021-1 shall be classified as Developed Property, Taxable Conservation Property, Taxable Public Property, Taxable Property Owner Association Property, Taxable Religious Property, Undeveloped Property, or Exempt Welfare Exemption Property, and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

The Assigned Special Tax for Residential Property shall be based on the Zone in which the Assessor's Parcel is located, the number of dwelling units, and the Residential Floor Area of the dwelling units located on the Assessor's Parcel. The Assigned Special Tax for Non-Residential Property shall be based on the Zone in which the Assessor's Parcel is located and the Acreage of the Assessor's Parcel.

C. MAXIMUM SPECIAL TAX RATE**1. Developed Property****a. Maximum Special Tax**

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property within a particular Zone shall be the greater of (i) the amount derived by application of the Assigned Special Tax for such Zone or (ii) the amount derived by application of the Backup Special Tax for such Zone.

b. Assigned Special Tax

The Assigned Special Tax for each Land Use Class within each Zone for Fiscal Year 2022-2023 is shown below in Tables 1 through 8.

TABLE 1**Zone 1****(All Ages – Single Family Attached Flats)****For Fiscal Year 2022-2023****Assigned Special Taxes for Developed Property**

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,350 SF	Residential Property	\$5,492 per unit
2	1,251 – 1,350 SF	Residential Property	\$5,217 per unit
3	1,151 – 1,250 SF	Residential Property	\$5,041 per unit
4	1,051 – 1,150 SF	Residential Property	\$4,821 per unit
5	951 – 1,050 SF	Residential Property	\$4,646 per unit
6	< 951 SF	Residential Property	\$4,030 per unit
7	N/A	Non-Residential Property	\$146,770 per Acre

TABLE 2
Zone 2

(All Ages – Single Family Attached Townhomes)
For Fiscal Year 2022-2023
Assigned Special Taxes for Developed Property

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,500 SF	Residential Property	\$6,550 per unit
2	1,301 – 1,500 SF	Residential Property	\$6,295 per unit
3	1,101 – 1,300 SF	Residential Property	\$5,668 per unit
4	< 1,101 SF	Residential Property	\$4,931 per unit
5	N/A	Non-Residential Property	\$139,047 per Acre

TABLE 3
Zone 3

(All Ages – Single Family Detached Duplex)
For Fiscal Year 2022-2023
Assigned Special Taxes for Developed Property

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,800 SF	Residential Property	\$7,299 per unit
2	1,601 – 1,800 SF	Residential Property	\$6,341 per unit
3	1,401 – 1,600 SF	Residential Property	\$6,066 per unit
4	< 1,401 SF	Residential Property	\$5,603 per unit
5	N/A	Non-Residential Property	\$144,849 per Acre

TABLE 4
Zone 4

(All Ages – Single Family Detached Stub Alley)
For Fiscal Year 2022-2023
Assigned Special Taxes for Developed Property

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,750 SF	Residential Property	\$7,209 per unit
2	1,551 – 1,750 SF	Residential Property	\$6,737 per unit
3	1,351 – 1,550 SF	Residential Property	\$6,198 per unit
4	< 1,351 SF	Residential Property	\$5,923 per unit
5	N/A	Non-Residential Property	\$167,967 per Acre

TABLE 5**Zone 5****(All Ages – Single Family Detached Traditional)****For Fiscal Year 2022-2023****Assigned Special Taxes for Developed Property**

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 2,600 SF	Residential Property	\$9,771 per unit
2	2,401 – 2,600 SF	Residential Property	\$9,308 per unit
3	2,201 – 2,400 SF	Residential Property	\$8,536 per unit
4	2,001 – 2,200 SF	Residential Property	\$8,023 per unit
5	1,801 – 2,000 SF	Residential Property	\$7,593 per unit
6	< 1,801 SF	Residential Property	\$7,091 per unit
7	N/A	Non-Residential Property	\$104,694 per Acre

TABLE 6**Zone 6****(Assisted Living Property)****For Fiscal Year 2022-2023****Assigned Special Taxes for Developed Property**

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	N/A	Residential Property	\$65,567 per Acre
2	N/A	Non-Residential Property	\$65,567 per Acre

TABLE 7**Zone 7****(Age Qualified – Cluster Single Family Detached)****For Fiscal Year 2022-2023****Assigned Special Taxes for Developed Property**

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,800 SF	Residential Property	\$6,235 per unit
2	1,601 – 1,800 SF	Residential Property	\$6,043 per unit
3	1,401 – 1,600 SF	Residential Property	\$5,506 per unit
4	1,201 – 1,400 SF	Residential Property	\$5,330 per unit
5	< 1,201 SF	Residential Property	\$5,003 per unit
6	N/A	Non-Residential Property	\$86,470 per Acre

TABLE 8
Zone 8
(Age Qualified – Single Family Detached Alley)
For Fiscal Year 2022-2023
Assigned Special Taxes for Developed Property

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,950 SF	Residential Property	\$6,581 per unit
2	1,751 – 1,950 SF	Residential Property	\$6,178 per unit
3	1,551 – 1,750 SF	Residential Property	\$5,800 per unit
4	< 1,551 SF	Residential Property	\$5,654 per unit
5	N/A	Non-Residential Property	\$61,429 per Acre

c. Multiple Land Use Classes

In some instances an Assessor's Parcel may contain both Undeveloped Property and Developed Property. Furthermore, Developed Property may contain more than one Land Use Class.

In such cases, the Acreage of the Assessor's Parcel shall be allocated between Developed Property and Undeveloped Property based on the portion of the Assessor's Parcel for which building permits had been issued prior to January 1 of the prior Fiscal Year and the portion of the Assessor's Parcel for which building permits had not been issued prior to January 1 of the prior Fiscal Year. The Acreage that is considered Developed Property shall be allocated between Residential Property, and Non-Residential Property based on the site plan or other applicable document as determined by the CFD Administrator. The Maximum Special Tax that can be levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax that can be levied on each type of property located on that Assessor's Parcel.

d. Backup Special Tax

The Backup Special Tax in CFD No. 2021-1 shall be equal to an amount per Acre for each Zone as shown below in Table 9.

TABLE 9
All Zones
Fiscal Year 2022-2023
Backup Special Tax

Zone	FY 2022-2023 Backup Special Tax
1	\$146,770 per Acre
2	\$139,047 per Acre
3	\$144,849 per Acre
4	\$167,967 per Acre
5	\$104,694 per Acre
6	\$65,567 per Acre
7	\$86,470 per Acre
8	\$61,429 per Acre

e. Increase in the Assigned Special Tax and Backup Special Tax

On each July 1, commencing on July 1, 2023, the Assigned Special Tax and the Backup Special Tax for Developed Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

2. Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, Taxable Religious Property, and Undeveloped Property

a. Maximum Special Tax

The Maximum Special Tax for Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, Taxable Religious Property, and Undeveloped Property within each Zone is shown below in Table 10.

TABLE 10
All Zones
Fiscal Year 2022-2023
Maximum Special Taxes for Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, Taxable Religious Property, or Undeveloped Property

Zone	FY 2022-2023 Maximum Special Tax
1	\$146,770 per Acre
2	\$139,047 per Acre
3	\$144,849 per Acre
4	\$167,967 per Acre
5	\$104,694 per Acre
6	\$65,567 per Acre
7	\$86,470 per Acre
8	\$61,429 per Acre

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2023, the Maximum Special Tax for Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, Taxable Religious Property, and Undeveloped Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2022-2023 and for each following Fiscal Year, the Board shall levy the Special Tax until the amount of Special Taxes levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor’s Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor’s Parcel of Developed Property for which the Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor’s Parcel;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Taxable Conservation Property, Taxable Property Owner Association Property and Taxable

Religious Property at up to the Maximum Special Tax for Taxable Conservation Property, Taxable Property Owner Association Property and Taxable Religious Property, as applicable.

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Taxable Public Property at up to the Maximum Special Tax for Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax levied in a Fiscal Year against any Assessor’s Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year as a consequence of delinquency or default by the owner of any other Assessor’s Parcel within CFD No. 2021-1. To the extent that the levy of the Special Tax on Residential Property is limited by the provision in the previous sentence, the levy of the Special Tax on all other Assessor’s Parcels shall continue in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

No Special Taxes shall be levied on Conservation Property, Property Owner Association Property, Public Property, or Religious Property, so long as the Acreage of Taxable Property in each Zone is at least equal to the “Minimum Taxable Acreage” as defined below.

The Minimum Taxable Acreage for Zones I through 6 is equal to the applicable amount shown in Column B of Table 11 below prior to any annexations into CFD No. 2021-1.

**Table 11
Minimum Taxable Acreage
Prior to Annexations**

Column A	Column B
Zone	Minimum Taxable Acreage prior to Annexations
1	4.29 Acres
2	5.12 Acres
3	7.70 Acres
4	6.41 Acres
5	4.90 Acres
6	10.577 Acre

Additional property is expected to be annexed into Zones 5, 7, and 8 of CFD No. 2021-1 at a future date. The Minimum Taxable Acreage for Zones 5, 7 and 8 is equal to the applicable amount shown in Column D of Table 12 below following annexations into CFD No. 2021-1.

Table 12
Minimum Taxable Acreage

Column A	Column B	Column C	Column D
Property Annexed into Zone	Minimum Taxable Acreage prior to Annexation	Amount of Increase to Minimum Taxable Acreage indicated in Table 11 above	New Minimum Taxable Acreage following Annexation
5	4.90 Acres	11.52 Acres	16.42 Acres
7	NA	5.66 Acres	5.66 Acres
8	NA	5.46 Acres	5.46 Acres

Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Conservation Property, Property Owner Association Property, Public Property, or Religious Property. However, should an Assessor's Parcel no longer be classified as Conservation Property, Property Owner Association Property, Public Property, or Religious Property, its tax-exempt status will be revoked and it will thereafter be classified as Developed Property or Undeveloped Property in accordance with Section C above.

To the extent that the exemption of an Assessor's Parcel of Conservation Property, Property Owner Association Property, Public Property, or Religious Property would reduce the Acreage of Taxable Property below the Minimum Taxable Acreage in the applicable Zone, such Assessor's Parcel shall be classified as Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property, as applicable, and shall be subject to the levy of the Special Tax and shall be taxed as part of the fourth or fifth steps, as applicable, in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Exempt Welfare Exemption Property.

F. 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 CFD No. 2021-1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

Tenders of Bonds may be accepted for payment of Special Taxes upon the terms and conditions established by the Act and permitted by CFD No. 2021-1. The use of Bond tenders shall only be allowed on a case-by-case basis as specifically approved by the Board.

G. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section G:

“**CFD Public Facilities Cost**” means either \$130.5 million in 2021 dollars (based on development at buildout including development in any future annexation areas), which shall increase by the Construction Inflation Index on July 1, 2022, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be

provided by CFD No. 2021-1 under the authorized bonding program for CFD No. 2021-1, or (ii) shall be determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

“Construction Fund” means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

“Construction Inflation Index” means, for a Fiscal Year, the greater of 0% and the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

“Future Facilities Costs” means the CFD Public Facilities Cost minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

“Outstanding Bonds” means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

“Previously Issued Bonds” means all Bonds that have been issued by CFD No. 2021-1 prior to the date of prepayment.

1. Prepayment in Full

The obligation to pay the Special Tax for an Assessor’s Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made 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 prepay the Special Tax obligation 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 a reasonable fee for providing this figure.

The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
less	Capitalized Interest Credit
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

Paragraph No.:

1. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Undeveloped Property for which a building permit has been issued, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel. For Assessor's Parcels of Undeveloped Property for which a building permit has not been issued, Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property, compute the Maximum Special Tax for the Assessor's Parcel to be prepaid.
2. (a) For an Assessor's Parcel of Developed Property or Undeveloped Property for which a building permit has been issued (i) Divide the Assigned Special Tax computed pursuant to paragraph 1 by the total estimated Assigned Special Taxes for the entire CFD No. 2021-1 based on the Developed Property Special Taxes which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 2021-1 (including property expected to be annexed into CFD No. 2021-1), excluding any Assessor's Parcels for which the Special Taxes have been prepaid, and (ii) Divide the Backup Special Tax computed pursuant to paragraph 1 by the total estimated Backup Special Taxes for the entire CFD No. 2021-1 based on the Backup Special Taxes which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 2021-1 (including property expected to be annexed into CFD No. 2021-1), excluding any Assessor's Parcels for which the Special Taxes have been prepaid.

(b) For Assessor's Parcels of Undeveloped Property for which a building permit has not been issued, Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property, divide the Maximum Special Tax computed pursuant to paragraph 1 by the total estimated Maximum Special Tax for the entire CFD No. 2021-1 based on the Maximum Special Tax which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 2021-1 (including property expected to be annexed into CFD No. 2021-1), excluding any Assessor's Parcels for which the Special Taxes have been prepaid.
3. Multiply the larger of quotient (i) and (ii) computed pursuant to paragraph 2(a) for Assessor's Parcels of Developed Property or Undeveloped Property for which a building permit has been issued, or the quotient computed pursuant to paragraph 2(b) for Assessor's Parcels of Undeveloped Property for which a building permit has not been issued, Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property, by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
4. Multiply the Bond Redemption Amount computed pursuant to paragraph 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
5. Compute the current Future Facilities Costs.
6. Multiply the larger of quotient (i) and (ii) computed pursuant to paragraph 2(a) for Assessor's Parcels of Developed Property or Undeveloped Property for which a building permit has been issued, or the quotient computed pursuant to paragraph 2(b) for Assessor's Parcels of Undeveloped Property for which a building permit has not been issued, Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, or Taxable

Attachment C

Religious Property, by the amount determined pursuant to paragraph 5 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").

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 earliest redemption date for the Outstanding Bonds.
8. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.
10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 7 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 2021-1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, 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 prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the larger of quotient (i) and (ii) computed pursuant to paragraph 2(a) for Assessor's Parcels of Developed Property or Undeveloped Property for which a building permit has been issued, or the quotient computed pursuant to paragraph 2(b) for Assessor's Parcels of Undeveloped Property for which a building permit has not been issued, Taxable Conservation Property, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property, by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").
15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 3, 4, 6, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the "Prepayment Amount").
16. From the Prepayment Amount, the amounts computed pursuant to paragraphs 3, 4, 11, 13 and 14 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 6 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 2021-1.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation to pay the Special Tax for such Assessor's Parcel shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless (i) the amount of Maximum Special Tax that may be levied on Taxable Property (based on expected development at build out), after the proposed prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and (ii) the amount of Maximum Special Tax that may be levied on non-delinquent Taxable Property (based on expected development at build out) after the proposed prepayment, less expected Administrative Expenses, shall be at least equal to the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year.

2. Prepayment in Part

The Special Tax for an Assessor's Parcel of Developed Property and/or Undeveloped Property may be partially prepaid. The amount of the prepayment shall be calculated as in Section G.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = [(P_E - AE) \times F] + AE$$

These terms have the following meaning:

- AE = the Administrative Fees and Expenses
- PP = the partial prepayment amount
- P_E = the Prepayment Amount calculated according to Section G.1
- F = the percentage by which the owner of the Assessor's Parcel is partially prepaying the Special Tax.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within thirty (30) days of the request and may charge a reasonable fee for providing this service. With respect to any Assessor's Parcel for which the Special Tax is partially prepaid, CFD No. 2021-1 shall (i) distribute the funds remitted to it according to Section G.1, and (ii) indicate in the records of CFD No. 2021-1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the applicable Assigned Special Tax, Backup Special Tax, and Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D. Furthermore, for Undeveloped Property that has been partially prepaid, the outstanding percentage (1.00 - F) of the applicable Assigned Special Tax, Backup Special Tax, and Maximum Special Tax shall continue to apply to such Assessor's Parcel after such Assessor's Parcel is considered Developed Property.

Notwithstanding the foregoing, no partial prepayment will be allowed unless (i) the amount of Maximum Special Tax that may be levied on Taxable Property (based on expected development at build out), after the proposed partial prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and (ii) the amount of Maximum Special Tax that may be levied on non-delinquent Taxable Property (based on expected development at build out) after the proposed partial prepayment, less expected Administrative Expenses, shall be at least equal to the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year.

H. SPECIAL TAX REDUCTION

The following definitions apply to this Section H:

“Issuance Date” means the date a bond purchase contract related to the sale of the Bonds is entered into between the underwriter of the Bonds and CFD No. 2021-1.

“Plan Type” means a discrete residential plan type (generally consisting of residential dwelling units that share a common product type (e.g., detached, attached, cluster, etc.) and that have nearly identical amounts of living area) that is constructed or expected to be constructed within CFD No. 2021-1 as identified in the Price Point Study.

“Price Point” means, with respect to the residential dwelling units in each Plan Type, as of the date of the applicable Price Point Study, the base price of such residential dwelling units, estimated by the Price Point Consultant as of such date, including any incentives and concessions, but excluding potential appreciation or premiums, options or upgrades, based upon their actual or expected characteristics, such as living area, view, or lot size.

“Price Point Consultant” means any consultant or firm of such consultants selected by CFD No. 2021-1 that (a) has substantial experience in performing price point studies for residential units within community facilities districts or otherwise estimating or confirming pricing for residential units in community facilities districts, (b) is well versed in analyzing economic and real estate data that relates to the pricing of residential units in community facilities districts, (c) is in fact independent and not under the control of CFD No. 2021-1 or the County, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 2021-1, (ii) the County, (iii) any owner of real property in CFD No. 2021-1, or (iv) any real property in CFD No. 2021-1, and (e) is not connected with CFD No. 2021-1 or the County as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2021-1 or the County.

“Price Point Study” means a price point study or a letter updating a previous price point study, which (a) has been prepared by the Price Point Consultant, (b) sets forth the Plan Types constructed or expected to be constructed within Zones 1 through 8 of CFD No. 2021-1, (c) sets forth the estimated number of constructed and expected residential dwelling units for each Plan Type, (d) sets forth such Price Point Consultant’s estimate of the Price Point for each Plan Type and (e) uses a date for establishing such Price Points that is no earlier than 30 days prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to Step No. 1 of this Section H. The Price Point Study will only include the for-sale Residential Property in Zones 1 through 8.

“Total Effective Tax Rate” means, for a Plan Type, the quotient of (a) the Total Tax and Assessment Obligation for such Plan Type divided by (b) the Price Point for such Plan Type, converted to a percentage.

“Total Tax and Assessment Obligation” means, with respect to a Plan Type in a Zone, for the Fiscal Year for which the calculation is being performed, the quotient of (a) the sum of the Assigned Special Tax and estimated *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges levied or imposed on all residential dwelling units of such Plan Type in such Zone in such Fiscal Year or that would have been levied or imposed on all such residential dwelling units had such residential dwelling units been completed, sold and subject to such levies and impositions in such Fiscal Year divided by (b) the number of residential dwelling units in such Plan Type in such Zone. The Total Tax and Assessment Obligation for each Plan Type shall be calculated based on the applicable Residential Floor Area, Price Point, and number of constructed and expected residential dwelling units for such Plan Type in such Zone as identified in the Price Point Study.

Prior to the issuance of the first series of Bonds, the following steps shall be taken for each Land Use Class of for-sale Residential Property in Zones 1 through 8:

Step No.:

1. At least 30 days prior to the expected Issuance Date of the first series of Bonds, CFD No. 2021-1 shall cause a Price Point Study to be delivered to the CFD Administrator.
2. As soon as practicable after receipt of the Price Point Study, the CFD Administrator shall calculate the Total Tax and Assessment Obligation and Total Effective Tax Rate for each Plan Type in each Zone.
3. Separately, for each Land Use Class of for-sale Residential Property in each Zone, the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00%.
 - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class in a Zone is less than or equal to 2.00%, then there shall be no change in the Assigned Special Tax for such Land Use Class in such Zone.
 - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class in a Zone is greater than 2.00%, the CFD Administrator shall calculate a revised Assigned Special Tax for such Land Use Class in such Zone, which revised Assigned Special Tax shall be the highest amount (rounded to the nearest whole dollar) that will not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class in such Zone to exceed 2.00%.
 - c. If the revised Assigned Special Tax amounts result in a situation in which the Assigned Special Tax for a particular Land Use Class of Residential Property in a Zone would be less than the Assigned Special Tax for the numerical Land Use Class of Residential Property directly above it within the same Zone (e.g., the Assigned Special Tax for Land Use Class 1 in Zone 1 is less than the Assigned Special Tax for Land Use Class 2 in Zone 1), then the Assigned Special Tax for the higher numbered Land Use Class shall be revised to be equal to the Assigned Special Tax for the lower numbered Land Use Class (i.e., the Assigned Special Tax for Land Use Class 2 in Zone 1 shall be revised to be equal to the updated Assigned Special Tax for Land Use Class 1 in Zone 1).
4. If the Assigned Special Tax for any Land Use Class in a Zone is revised pursuant to step 3.b. or 3.c. above, the CFD Administrator shall calculate a revised Backup Special Tax for all property within such Zone. The revised Backup Special Tax per Acre for such Zone shall be

an amount (rounded to the nearest whole dollar) equal to the Backup Special Tax per Acre for such Zone as set forth in Table 9 above, reduced by a percentage equal to the weighted average percentage reduction in the Assigned Special Taxes for all Land Use Classes of Residential Property in such Zone resulting from the calculations in steps 3.a. through 3.c. above. The weighted average percentage will be calculated by taking the sum of the products of the number of units constructed or expected to be constructed in each Land Use Class in such Zone multiplied by the percentage change in the Assigned Special Tax (pursuant to step 3.b. or 3.c. above) for each Land Use Class in such Zone (or 0 for Land Use Classes that are not changing). This amount is then divided by the total number of units constructed or expected to be constructed within the Zone and converted to a percentage.

5. If the Assigned Special Tax for any Land Use Class in any Zone is revised pursuant to step 3.b. or 3.c. above, the CFD Administrator shall prepare and execute a Certificate of Reduction in Special Taxes substantially in the form of Exhibit A hereto and shall deliver such Certificate of Reduction in Special Taxes to CFD No. 2021-1. The Certificate of Reduction in Special Taxes shall be completed for all Land Use Classes in all Zones and shall set forth, as applicable, either (i) the reduced Assigned Special Tax for a Land Use Class in a Zone as calculated pursuant to step 3.b. or 3.c., or (ii) the Assigned Special Tax as identified in Tables 1 through 8 in Section C for a Land Use Class in a Zone that was not revised as determined pursuant to step 3.a.; as well as either (i) the revised Backup Special Tax for a Zone as calculated pursuant to step 4, or (ii) the Backup Special Tax as identified in Table 9 in Section C.1.(d) for a Zone that was not revised as determined pursuant to step 4.
6. If the Issuance Date of the first series of Bonds is within 120 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 2021-1 shall execute the acknowledgement on such Certificate of Reduction in Special Taxes, dated as of the closing date of such Bonds, and upon the closing of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall be, for all purposes, as set forth in such Certificate of Reduction in Special Taxes. If the Issuance Date of the first series of Bonds is not within 120 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate of Reduction in Special Taxes shall not be acknowledged by CFD No. 2021-1 and shall, as of such date, be void and of no further force and effect. In such case, if subsequently a first series of Bonds is expected to be issued, at least 30 days prior to the expected Issuance Date of such first series of Bonds, the CFD Administrator shall cause a new Price Point Study to be delivered to the CFD Administrator and, following such delivery, steps 2 through 5 of this section shall be performed based on such new Price Point Study.
7. As soon as practicable after the execution by CFD No. 2021-1 of the acknowledgement on the Certificate of Reduction in Special Taxes, CFD No. 2021-1 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for CFD No. 2021-1 reflecting the Assigned Special Taxes and the Backup Special Tax for each Zone set forth in such Certificate of Reduction in Special Taxes.
8. If the Assigned Special Tax is not required to be changed for any Land Use Class in any Zone based on the calculations performed under step 3 above, there shall be no reduction in the Maximum Special Tax, and no Certificate of Reduction in Special Taxes shall be required. However the CFD Administrator shall prepare and deliver to CFD No. 2021-1 a Certificate of No Reduction in Special Taxes substantially in the form of Exhibit B hereto dated as of the closing date of the first series of Bonds that states that the calculations required pursuant to this Section H have been made and that no changes to the Maximum Special Tax are necessary.

9. CFD No. 2021-1 and the CFD Administrator shall take no further actions under this Section H upon the earlier to occur of the following: (i) the execution of the acknowledgement by CFD No. 2021-1 on a Certificate of Reduction in Special Taxes pursuant to step 6; or (ii) the delivery by the CFD Administrator of a Certificate of No Reduction in Special Taxes pursuant to step 8.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied on an Assessor's Parcel for a period not to exceed forty years from the Fiscal Year in which such Assessor's Parcel first becomes Developed Property.

J. DETERMINATIONS OF CFD ADMINISTRATOR CONSIDERED FINAL

Any determinations made by CFD Administrator under terms of this Rate and Method of Apportionment shall be final.

EXHIBIT A**CERTIFICATE OF REDUCTION IN SPECIAL TAXES****Community Facilities District No. 2021-1 of the County of Orange
(Rienda)**

1. Pursuant to Section H of the Rate and Method of Apportionment, the Maximum Special Tax for Developed Property for [certain or all] Land Use Classes within CFD No. 2021-1 has been reduced.
2. The calculations made pursuant to Section H were based upon a Price Point Study that was received by the CFD Administrator on
3. Tables 1A through 8A below show the Assigned Special Tax for each Land Use Class in Zones 1 through 8 after such reduction.

**Table 1A
Assigned Special Taxes for Developed Property
Fiscal Year 2022-2023**

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,350 SF	Residential Property	\$_____ per unit
2	1,251 – 1,350 SF	Residential Property	\$_____ per unit
3	1,151 – 1,250 SF	Residential Property	\$_____ per unit
4	1,051 – 1,150 SF	Residential Property	\$_____ per unit
5	951 – 1,050 SF	Residential Property	\$_____ per unit
6	< 951 SF	Residential Property	\$_____ per unit
7	N/A	Non-Residential Property	\$_____ per Acre

**Table 2A
Assigned Special Taxes for Developed Property
Fiscal Year 2022-2023**

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,500 SF	Residential Property	\$_____ per unit
2	1,301 – 1,500 SF	Residential Property	\$_____ per unit
3	1,101 – 1,300 SF	Residential Property	\$_____ per unit
4	< 1,101 SF	Residential Property	\$_____ per unit
5	N/A	Non-Residential Property	\$_____ per Acre

Table 3A
Assigned Special Taxes for Developed Property
Fiscal Year 2022-2023

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,800 SF	Residential Property	\$_____ per unit
2	1,601 – 1,800 SF	Residential Property	\$_____ per unit
3	1,401 – 1,600 SF	Residential Property	\$_____ per unit
4	< 1,401 SF	Residential Property	\$_____ per unit
5	N/A	Non-Residential Property	\$_____ per Acre

Table 4A
Assigned Special Taxes for Developed Property
Fiscal Year 2022-2023

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,750 SF	Residential Property	\$_____ per unit
2	1,551 – 1,750 SF	Residential Property	\$_____ per unit
3	1,351 – 1,550 SF	Residential Property	\$_____ per unit
4	< 1,351 SF	Residential Property	\$_____ per unit
5	N/A	Non-Residential Property	\$_____ per Acre

Table 5A
Assigned Special Taxes for Developed Property
Fiscal Year 2022-2023

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 2,600 SF	Residential Property	\$_____ per unit
2	2,401 – 2,600 SF	Residential Property	\$_____ per unit
3	2,201 – 2,400 SF	Residential Property	\$_____ per unit
4	2,001 – 2,200 SF	Residential Property	\$_____ per unit
5	1,801 – 2,000 SF	Residential Property	\$_____ per unit
6	< 1,801 SF	Residential Property	\$_____ per unit
7	N/A	Non-Residential Property	\$_____ per Acre

Table 6A
Assigned Special Taxes for Developed Property
Fiscal Year 2022-2023

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	N/A	Residential Property	\$_____ per Acre
2	N/A	Non-Residential Property	\$_____ per Acre

Table 7A
Assigned Special Taxes for Developed Property
Fiscal Year 2022-2023

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,800 SF	Residential Property	\$_____ per unit
2	1,601 – 1,800 SF	Residential Property	\$_____ per unit
3	1,401 – 1,600 SF	Residential Property	\$_____ per unit
4	1,201 – 1,400 SF	Residential Property	\$_____ per unit
5	< 1,201 SF	Residential Property	\$_____ per unit
6	N/A	Non-Residential Property	\$_____ per Acre

Table 8A
Assigned Special Taxes for Developed Property
Fiscal Year 2022-2023

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	> 1,950 SF	Residential Property	\$_____ per unit
2	1,751 – 1,950 SF	Residential Property	\$_____ per unit
3	1,551 – 1,750 SF	Residential Property	\$_____ per unit
4	< 1,551 SF	Residential Property	\$_____ per unit
5	N/A	Non-Residential Property	\$_____ per Acre

4. The Backup Special Tax for each Assessor's Parcel of Developed Property shall equal an amount per Acre after such reduction as shown in Table 9A below.

**Table 9A
Backup Special Tax
Fiscal Year 20202-2023**

Zone	Backup Special Tax
1	\$_____ per Acre
2	\$_____ per Acre
3	\$_____ per Acre
4	\$_____ per Acre
5	\$_____ per Acre
6	\$_____ per Acre
7	\$_____ per Acre
8	\$_____ per Acre

5. Upon execution of this certificate by CFD No. 2021-1, CFD No. 2021-1 shall cause an amended notice of Special Tax lien for CFD No. 2021-1 to be recorded reflecting the Assigned Special Tax and Backup Special Tax set forth herein.

Submitted

CFD ADMINISTRATOR

By: _____ Date: _____

By execution hereof, the undersigned acknowledges, on behalf of CFD No. 2021-1, receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

Community Facilities District No. 2021-1 of the County of Orange
(Rienda)

By: _____ Date as of: [closing date of Bonds]

EXHIBIT B

CERTIFICATE OF NO REDUCTION IN SPECIAL TAXES

**Community Facilities District No. 2021-1 of the County of Orange
(Rienda)**

1. All calculations required pursuant to Section H of the Rate and Method of Apportionment have been made based upon a Price Point Study that was received by the CFD Administrator on _____.
2. Total Effective Tax Rate for all Plan Types in all Land Use Classes in all Zones is less than or equal to 2.00%
3. The Maximum Special Tax for Developed Property within CFD No. 2021-1, including the Assigned Special Taxes set forth in Sections C.1.(b) and the Backup Special Tax set forth in Section C.1.(d) of the Rate and Method of Apportionment, shall remain in effect and not be reduced.

Submitted

CFD ADMINISTRATOR

By: _____

Date as of: [closing date of Bonds]

APPENDIX B
APPRAISAL REPORT

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Bond Counsel will deliver an opinion for the Bonds substantially in the form set forth below:

[Closing Date]

Community Facilities District No. 2021-1
of the County of Orange (Rienda)
Santa Ana, California

*Re: \$_____ Community Facilities District No. 2021-1 of the County of Orange (Rienda)
 Series A of 2022 Special Tax Bonds*

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the Board of Supervisors of the County of Orange taken in connection with the authorization and issuance by the Community Facilities District No. 2021-1 of the County of Orange (Rienda) (the “District”) of its Series A of 2022 Special Tax Bonds in the aggregate principal amount of \$_____ (the “Bonds”) and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), Resolution No. 22-____, adopted by the Board of Supervisors of the County of Orange (the “County”), acting in its capacity as the legislative body of the District (the “Board”) on July 19, 2022, and the Indenture dated as of August 1, 2022 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee. All capitalized terms not defined herein shall have the meaning set forth in the Indenture.

The Bonds are dated their date of delivery and mature on the dates and in the amounts set forth in the Indenture. The Bonds bear interest payable semiannually on each February 15 and August 15, commencing on February 15, 2023, at the rates per annum set forth in the Indenture. The Bonds are registered bonds in the form set forth in the Indenture, redeemable in the amounts, at the times and in the manner provided for in the Indenture.

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

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture. The Bonds are limited obligations of the District but are not a debt of the County, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Net Taxes, neither the faith and credit nor the taxing power of the County, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The execution and delivery of the Indenture has been duly authorized by the District, and the Indenture is valid and binding upon the District and is enforceable in accordance with its terms; provided,

however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative Expenses and we express no opinion as to any provisions with respect to indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) The Indenture creates a valid pledge of that which the Indenture purports to pledge, subject to the provisions of the Indenture.

(4) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

(5) Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

(6) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond. Original issue discount that accrues for the Bond Owner is excluded from the gross income of such Owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals (as described in paragraph (4) above) and is exempt from State of California personal income tax.

(7) The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner.

The opinions expressed in paragraphs (4) and (6) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the District and the County comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the County have covenanted to comply with all such requirements. Except as set forth in paragraphs (4), (5), (6) and (7) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate executed by the District and the County and other documents related to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on any Bond if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Attachment C

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles and the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions, including the default judgment entered on June 9, 2022, by the Superior Court of the State of California for the County of Orange in the action entitled County of Orange v. All Persons Interested in the Matter etc., Case No. 30-2021-01238519-CU-MC-CJC, and cover certain matters not directly addressed by such authorities.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the Owners of the Bonds with respect to matters contained in the Official Statement or other offering material.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur).

Respectfully submitted,

APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC DATA FOR THE COUNTY OF ORANGE

The following economic data for the County of Orange (the “County”), the City of Rancho Santa Margarita and the City of Mission Viejo are presented for information purposes only. The Bonds are not a debt or obligation of the County, the City of Rancho Santa Margarita or the City of Mission Viejo.

General

The County is bordered on the north by Los Angeles and San Bernardino Counties, on the east by Riverside County, on the southeast by San Diego County, and on the west and southwest by the Pacific Ocean. The County encompasses 789 square miles, has a population of over 3 million, and approximately 42 miles of ocean shoreline provide beaches, marinas, and other recreational areas for use by residents and visitors.

The County is third largest county in California (by population) and is located in the most heavily populated region of California, necessitating easy access to road, rail, air and sea transportation. The County is also a major Southern California tourist center with a large number of amusement parks and recreational and entertainment activities. The County’s Pacific Coast shoreline includes five state beaches and parks, five Municipal beaches and five County beaches.

The County is a charter county, created under a provision of the State Constitution that allows for adoption and enforcement of local ordinances, provided they do not conflict with the general laws of the state. The County is divided into five supervisorial districts on the basis of population and is governed by an elected five-member Board of Supervisors with each Supervisor serving a four-year term.

The County provides a wide range of services to its residents, including public protection, public assistance/social services, health and mental health services, infrastructure and environmental services such as airport, road, flood control, landfill and waste management services, libraries, beaches and parks. The County administers the numerous health and social service programs as the administrative agent of the State and pursuant to State law.

Population

The following table summarizes population estimates for the City of Mission Viejo, the City of Rancho Santa Margarita, County and State from 2018 through 2022.

POPULATION ESTIMATES
The City of Mission Viejo, the City of Rancho Santa Margarita,
County of Orange and the State of California
2018-2022⁽¹⁾

<i>Year</i>	<i>City of Mission Viejo</i>	<i>City of Rancho Santa Margarita</i>	<i>County of Orange</i>	<i>California</i>
2018	95,634	49,414	3,192,092	39,586,646
2019	94,766	49,051	3,192,987	39,695,376
2020	94,267	48,793	3,194,332	39,782,870
2021	93,171	47,703	3,169,542	39,303,157
2022	92,515	42,279	3,162,245	39,185,605

⁽¹⁾ January 1 data.

Source: Source: California State Department of Finance, Demographic Research Unit., *E-4 Population Estimates for Cities, Counties, and the State, 2018-2022, with 2010 Census Benchmark.*

Income

The following tables show the personal income and per capita personal income for the County, State of California and United States from 2016 through 2020.

PERSONAL INCOME
County of Orange, State of California, and United States
2016-2020
(Dollars in Thousands)

<i>Year</i>	<i>County of Orange</i>	<i>California</i>	<i>United States</i>
2016	\$200,026,649	\$2,263,889,847	\$16,111,636,000
2017	208,949,975	2,370,112,356	16,870,106,000
2018	220,684,684	2,514,129,262	17,813,035,000
2019	231,036,264	2,739,343,439	19,032,672,000
2020	220,845,026	2,663,665,940	18,384,687,000

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

PER CAPITA PERSONAL INCOME⁽¹⁾
County of Orange, State of California, and United States
2016-2020

<i>Year</i>	<i>County of Orange</i>	<i>California</i>	<i>United States</i>
2016	\$63,086	\$57,801	\$49,890
2017	65,709	60,219	51,910
2018	69,268	63,711	54,526
2019	69,951	66,661	56,663
2020	74,618	70,192	59,510

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

[Remainder of Page Intentionally Left Blank]

Employment

The following table summarizes the labor force, employment and unemployment figures from 2017 to 2021 for the City of Mission Viejo, the City of Rancho Santa Margarita, the County and the State of California.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City of Mission Viejo, City of Rancho Santa Margarita, County of Orange, State of California
and the United States
2017-2021⁽¹⁾

	<i>Area</i>	<i>Labor Force</i>	<i>Employment⁽²⁾</i>	<i>Unemployment⁽³⁾</i>	<i>Unemployment Rate⁽⁴⁾</i>
2017	City of Mission Viejo	49,800	48,000	1,800	3.5%
	City of Rancho Santa Margarita	27,800	26,900	900	3.1
	Orange County	1,609,800	1,553,400	56,400	3.5
	State of California	19,205,300	18,285,500	919,800	4.8
	United States	160,320,000	153,337,000	2,454,000	4.4
	2018	City of Mission Viejo	49,700	48,200	1,500
City of Rancho Santa Margarita		27,700	27,000	800	2.8
Orange County		1,625,400	1,569,750	47,500	2.9
State of California		19,398,200	18,582,800	815,400	4.2
United States		162,075,000	155,761,000	153,336,000	3.9
2019		City of Mission Viejo	49,900	48,500	1,400
	City of Rancho Santa Margarita	27,800	27,100	700	2.5
	Orange County	1,623,400	1,578,333	45,100	2.8%
	State of California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7
	2020	City of Mission Viejo	47,100	43,300	3,800
City of Rancho Santa Margarita		26,100	24,200	1,900	7.9
Orange County		1,561,500	1,420,700	140,800	9.0
State of California		18,931,100	16,996,700	1,934,500	10.2
United States		160,742,000	147,795,000	12,947,000	8.1
2021		City of Mission Viejo	47,300	44,700	2,600
	City of Rancho Santa Margarita	26,200	24,900	1,300	5.2
	Orange County	1,553,900	1,461,200	92,700	6.0
	State of California	18,923,200	17,541,900	1,381,200	7.3
	United States	161,204,000	152,581,000	8,623,000	5.3

⁽¹⁾ Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.

⁽²⁾ Includes persons involved in labor-management trade disputes.

⁽³⁾ Includes all persons without jobs who are actively seeking work.

⁽⁴⁾ The unemployment rate is computed from un-rounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2021 Benchmark.

Industry

The following table summarizes employment figures by industry for the Anaheim-Santa Ana-Irvine Metropolitan Division, which is located entirely within the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
Anaheim-Santa Ana-Irvine Metropolitan Division
(Orange County)
2017-2021

	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Farming	2,100	2,000	1,900	1,900	1,900
Mining and Logging	500	500	500	400	400
Construction	101,800	106,300	106,400	101,300	101,500
Manufacturing	160,700	160,700	159,800	149,100	147,100
Wholesale Trade	79,000	79,800	79,400	79,400	75,300
Retail Trade	153,500	152,600	150,500	137,800	143,600
Transportation, Warehousing and Utilities	28,000	29,200	29,500	29,600	30,800
Information	26,800	26,700	26,100	24,100	23,800
Financial Activities	119,600	118,700	117,400	115,900	116,100
Professional and Business Services	304,400	317,000	328,200	310,100	322,200
Education and Health Services	215,900	224,700	231,800	225,800	236,400
Leisure and Hospitality	218,100	222,600	228,000	161,800	179,000
Other Services	50,300	51,400	52,000	44,100	47,000
Government	<u>160,200</u>	<u>161,200</u>	<u>162,900</u>	<u>156,100</u>	<u>155,200</u>
Total:	1,620,800	1,653,200	1,674,400	1,537,400	1,553,900

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.

(1) Employment is reported by place of work; it does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Columns may not add to totals due to rounding.

Source: State of California, Employment Development Department, *Industry Employment & Labor Force by Annual Average, March 2021 Benchmark*.

Largest Employers

The following table presents the largest employers in the County as of June 30, 2021.

LARGEST EMPLOYERS
County of Orange
2021

<i>Name of Business</i>	<i>Number of Employees</i>	<i>Type of Business</i>
Walt Disney Co.	28,000	Entertainment
University of California, Irvine	25,512	Education
County of Orange	17,769	County Government
Providence	12,866	Healthcare
Albertsons	8,159	Grocery
Kaiser Permanente	8,050	Healthcare
Hoag Memorial Hospital	6,710	Healthcare
Wal-Mart	6,400	Retail
Target Corporation	6,000	Retail
Yum Brands, Inc.	6,000	Corporation

Source: County of Orange Comprehensive Annual Financial Report, Year Ended June 30, 2021.

Building Activity

The following tables summarize building permits and valuations for the County, the City of Mission Viejo and the City of Rancho Santa Margarita during calendar years 2017 through 2021.

**BUILDING PERMITS AND VALUATIONS
County of Orange
2017-2021**

	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Valuation (In \$000's)					
Residential	\$3,188,601	\$2,750,619	\$2,642,321	\$1,870,957	\$2,393,961
Nonresidential	<u>2,090,029</u>	<u>3,532,285</u>	<u>3,152,501</u>	<u>2,025,512</u>	<u>1,825,076</u>
Total Valuation ⁽¹⁾	\$5,278,630	\$6,282,904	\$5,794,815	\$3,896,469	4,219,037
New Dwelling Units (#)					
Single-Family	5,097	3,975	3,125	2,863	3,292
Multifamily	<u>5,197</u>	<u>4,130</u>	<u>7,169</u>	<u>3,032</u>	<u>4,382</u>
Total:	10,294	8,105	10,294	5,895	7,674

⁽¹⁾ Total may not add up due to rounding.

Source: Construction Industry Research Board.

**BUILDING PERMITS AND VALUATIONS
City of Mission Viejo
2017-2021**

	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Valuation (In \$000's)					
Residential	\$33,889	\$22,695	\$10,243	\$14,117	\$25,825
Nonresidential	<u>34,899</u>	<u>67,837</u>	<u>20,673</u>	<u>50,376</u>	<u>70,276</u>
Total Valuation ⁽¹⁾	\$68,788	\$90,532	\$30,916	\$64,493	96,101
New Dwelling Units (#)					
Single-Family	29	21	0	12	39
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>14</u>
Total:	29	21	0	22	53

⁽¹⁾ Total may not add up due to rounding.

Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
City of Rancho Santa Margarita
2017-2021

	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Valuation (In \$000's)					
Residential	\$ 2,824	\$ 4,586	\$ 3,744	\$3,534	\$ 3,569
Nonresidential	<u>8,696</u>	<u>9,675</u>	<u>4,901</u>	<u>9,662</u>	<u>15,628</u>
Total Valuation ⁽¹⁾	\$11,520	\$14,261	\$8,645	\$13,196	\$19,197
New Dwelling Units (#)					
Single-Family	0	0	0	0	0
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total:	0	0	0	0	0

⁽¹⁾ Total may not add up due to rounding.

Source: Construction Industry Research Board.

Taxable Sales

The history of taxable transactions in the County, the City of Mission Viejo and the City of Rancho Santa Margarita from 2017 through 2021 is shown in the following tables.

TAXABLE SALES
County of Orange
(Dollars in Thousands)
2017-2021

<i>Year</i>	<i>Retail Permits</i>	<i>Retail and Food Taxable Transactions</i>	<i>Total Permits</i>	<i>Total Outlets Taxable Transactions</i>
2017	68,701	\$44,264,343	113,180	\$65,148,058
2018	69,228	46,078,187	117,633	67,468,616
2019	71,305	47,044,198	122,989	69,499,158
2020	76,066	44,257,342	132,807	63,833,514
2021	67,060	53,553,039	118,779	78,095,148

Source: *Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA") for 2017-2021.*
Certain previously reported data has been revised by the CDTFA.

TAXABLE SALES
City of Mission Viejo
(Dollars in Thousands)
2017-2021

<i>Year</i>	<i>Retail Permits</i>	<i>Retail and Food Taxable Transactions</i>	<i>Total Permits</i>	<i>Total Outlets Taxable Transactions</i>
2017	1,823	\$1,266,426	2,962	\$1,524,624
2018	1,900	1,391,667	3,125	1,649,008
2019	1,953	1,362,000	3,280	1,618,523
2020	2,045	1,056,267	3,511	1,255,031
2021	1,771	1,304,530	3,013	1,613,038

Source: *Taxable Sales in California, CDTFA for 2017-2021.* *Certain previously reported data has been revised by the CDTFA.*

TAXABLE SALES
City of Rancho Santa Margarita
(Dollars in Thousands)
2017-2021

<i>Year</i>	<i>Retail Permits</i>	<i>Retail and Food Taxable Transactions</i>	<i>Total Permits</i>	<i>Total Outlets Taxable Transactions</i>
2017	678	\$477,464	1,204	\$586,208
2018	677	485,629	1,243	609,287
2019	694	483,666	1,294	598,668
2020	739	453,344	1,400	555,405
2021	644	566,165	1,218	673,410

Source: Taxable Sales in California, CDTFA for 2017-2021. Certain previously reported data has been revised by the CDTFA.

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE

The following is a summary of certain definitions and provisions of the Indenture which is not described elsewhere in the Official Statement. This Summary does not purport to be comprehensive and reference should be made to the Indenture for a full and complete statement of its provisions.

[TO COME FROM BOND COUNSEL]

APPENDIX F

DISTRICT CONTINUING DISCLOSURE CERTIFICATE

APPENDIX G

FORM OF DEVELOPER CONTINUING DISCLOSURE AGREEMENT

This Developer Continuing Disclosure Agreement (the “Disclosure Agreement”) dated as of August 1, 2022 is executed and delivered by the RMV PA3 Development, LLC (the “Landowner”), and DTA, Inc., as dissemination agent (the “Dissemination Agent”), in connection with the issuance by Community Facilities District No. 2021-1 of the County of Orange (Rienda) of its \$_____ Community Facilities District No. 2021-1 of the County of Orange (Rienda) Series A of 2022 Special Tax Bonds (the “Bonds”). The Bonds are being issued pursuant to Resolution No. 22-___ adopted on July 19, 2022, by the Board of Supervisors of the County of Orange, acting as the legislative body of the District, and the Bond Indenture dated as of August 1, 2022 by and between the District and U.S. Bank National Association, as trustee. The Landowner covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Landowner to assist the Underwriter in the marketing of the Bonds.

SECTION 2. Definitions. Unless otherwise defined in this Disclosure Agreement, the following capitalized terms shall have the following meanings. Capitalized terms used and not defined herein shall have the meanings set forth in the Official Statement (defined below):

“Affiliate” shall mean, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially or as an agent, guardian or other fiduciary, twenty-five percent (25%) or more of any class of Equity Securities of such Person, (b) each Person that controls, is controlled by or is under common control with such Person or any Affiliate of such Person or (c) each of such Person’s executive officers, directors, joint venturers and general partners; provided, however, that in no case shall the District be deemed to be an Affiliate of the Landowner for purposes of this Disclosure Agreement. For the purpose of this definition, “control” of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise. Affiliates of the Landowner include, but are not limited to, RMV Community Development, LLC.

“Annual Report” shall mean any Annual Report provided by the Landowner pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of the Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Disclosure Representative” shall mean the Chief Financial Officer or his or her designee acting on behalf of the Landowner, or such other officer or employee as the Landowner shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean DTA, Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Landowner and which has filed with the Landowner and the District a written acceptance of such designation.

“District” shall mean Community Facilities District No. 2021-1 of the County of Orange (Rienda).

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB.

Attachment C

“Equity Securities” of any Person shall mean (a) all common stock, preferred stock, participations, shares, general partnership interests or other equity interests in and of such person (regardless of how designated and whether or not voting or non-voting) and (b) all warrants, options and other rights to acquire any of the foregoing.

“Fiscal Year” shall mean the period beginning on January 1 of each year and ending on the next succeeding December 31.

“Government Authority” shall mean any national, state or local government, any political subdivision thereof, any department, agency, authority or bureau of any of the foregoing, or any other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Listed Event” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement, dated _____, 2022, relating to the Bonds.

“Parity Bonds” shall mean bonds of the District that are secured on a parity with the Bonds.

“Person” shall mean any natural person, corporation, partnership, firm, association, Government Authority or any other Person whether acting in an individual fiduciary, or other capacity.

“Repository” shall mean the MSRB or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Unless otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Semiannual Report” shall mean any report to be provided by the Landowner on or prior to December 15 of each year pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“State” shall mean the State of California.

“Underwriter” shall mean the original underwriters of the Bonds, which are Piper Sandler & Co. and RBC Capital Markets, LLC.

SECTION 3. Provision of Annual Reports and Semiannual Report.

(a) The Landowner shall, or upon receipt of the Annual Report the Dissemination Agent shall, not later than June 15 of each year, commencing June 15, 2023, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. If, in any year, June 15 falls on a Saturday, Sunday or a holiday on which the Dissemination Agent’s offices are closed for business, such deadline shall be extended to the next following day on which the Dissemination Agent’s offices are open for business. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement, provided that the audited financial statements, if any, of the Landowner may be submitted separately from the balance of the Annual Report and later than the date required for the filing of the Annual Report if they are not available by that date. In addition, until such time as the Landowner’s reporting requirements terminate pursuant to Section 6 below, the Landowner shall, or upon receipt of the Semiannual Report the Dissemination Agent shall, not later than December 15 of each year, commencing December 15,

2022, provide to the Repository a Semiannual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. If, in any year, December 15 falls on a Saturday, Sunday or a holiday on which the Dissemination Agent's offices are closed for business, such deadline shall be extended to the next following day on which the Dissemination Agent's offices are open for business.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report and Semiannual Report to the Repository, the Landowner shall provide the Annual Report or the Semiannual Report, as applicable, to the Dissemination Agent or shall provide notification to the Dissemination Agent that the Landowner is preparing, or causing to be prepared, the Annual Report or the Semiannual Report, as applicable, and the date which the Annual Report or the Semiannual Report, as applicable, is expected to be available. If by such date, the Dissemination Agent has not received a copy of the Annual Report or the Semiannual Report, as applicable, or notification as described in the preceding sentence, the Dissemination Agent shall notify the Landowner of such failure to receive the report.

(c) If the Dissemination Agent is unable to provide an Annual Report or Semiannual Report to the Repository by the date required in subsection (a) or to verify that an Annual Report or Semiannual Report has been provided to the Repository by the date required in subsection (a), the Dissemination Agent shall send a notice to the Repository in the form required by the Repository.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report and the Semiannual Report the name and address of the Repository; and

(ii) promptly after receipt of the Annual Report, file a report with the Landowner and the District certifying that the Annual Report or the Semiannual Report, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the Repository.

(e) Notwithstanding any other provision of this Disclosure Agreement, any of the required filings hereunder shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

SECTION 4. Content of Annual Report and Semiannual Report.

(a) The Landowner's Annual Report and Semiannual Report shall contain or include by reference the information which is updated, except with respect to the financial statements of the Developer required under 4(a)(4), through a date which shall not be more than 60 days prior to the date of the filing of the Annual Report or the Semiannual Report, as applicable, relating to the following:

1. An update (if any) to the information relating to the Landowner and its Affiliates under the captions in the Official Statement entitled "PROPERTY OWNERSHIP AND THE DEVELOPMENT—General Description of the Development," "The Developer," "The Development," "Proposed Assisted Living Facility Project" and "Remaining Developer Properties." Such updates shall include, but not be limited to, the estimated remaining cost of the Landowner and its Affiliates to complete any of the public improvements in the District and status of construction for the nonresidential property currently owned by the Landowner (to the extent the same remains owned by the Landowner or an Affiliate) (collectively, the Landowner Improvements").

2. Any significant amendments to land use entitlements with respect to parcels owned by the Landowner or its Affiliates within the District, or that are otherwise known to the Landowner, including an update of the total acres subject to the levy of Special Taxes if the amendment affects the total number of acres subject to the levy of the Special Taxes.

3. Status of Special Tax payments on all parcels owned by the Landowner and its Affiliates.

4. In the Annual Report only, the financial statements of the Landowner for its most recently completed Fiscal Year (which currently ends on each December 31).

5. An update of the number of building permits pulled by each merchant builder as set forth in Table 6 of the Official Statement.

(b) Any and all of the items listed above may be included by specific reference to other documents, including official statements of debt issues which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Landowner shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Landowner shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material under clauses (b) and (c) as soon as practicable after the occurrence of any of the following events:

1. Failure to pay any real property taxes, special taxes or assessments levied within the District on a parcel owned by the Landowner or any Affiliate;

2. Material default by the Landowner or any Affiliate on any loan with respect to the construction or permanent financing of the Landowner Improvements to which the Landowner or any Affiliate has been provided a notice of default;

3. Material default by the Landowner or any Affiliate on any loan secured by property within the District owned by the Landowner or any Affiliate to which the Landowner or any Affiliate has been provided a notice of default;

4. Payment default by the Landowner or any Affiliate on any loan of the Landowner or any Affiliate (whether or not such loan is secured by property within the District) which is beyond any applicable cure period in such loan;

5. The filing of any proceedings with respect to the Landowner or any Affiliate, in which the Landowner or any Affiliate, may be adjudicated as bankrupt or discharged from any or all of their respective debts or obligations or granted an extension of time to pay debts or a reorganization or readjustment of debts; and

6. The filing of any lawsuit against the Landowner or any of its Affiliates which, in the reasonable judgment of the Landowner, will adversely affect the completion of the development of parcels owned by the Landowner or its Affiliates within the District, or litigation which if decided against the Landowner, or any of its Affiliates, in the reasonable judgment of the Landowner, would materially adversely affect the financial condition of the Landowner or its Affiliates or their respective ability to pay special taxes levied within the District.

(b) Whenever the Landowner obtains knowledge of the occurrence of a Listed Event, the Landowner shall as soon as possible determine if such event would be material under applicable federal securities laws. The Dissemination Agent shall have no responsibility to determine the materiality of any of the Listed Events.

(c) If the Landowner determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Landowner shall promptly file a notice of such occurrence with the Dissemination Agent which shall then distribute such notice to the Repository, with a copy to the District.

SECTION 6. Termination of Reporting Obligation. The Landowner's obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the following events:

- (a) the legal defeasance, prior redemption or payment in full of all of the Bonds, or
- (b) as of the date of the filing for the Semiannual Report or Annual Report (1) with respect to the obligation of the Landowner to update the information pursuant to Section 4(a)(1) – (4) above, ninety percent (90%) of the public improvements to be constructed by the Landowner as described under the caption “PROPERTY OWNERSHIP AND THE DEVELOPMENT—The Development” have been completed based on costs expended and (2) with respect to the obligation of the Landowner to update the information pursuant to Section 4(a)(5) above, 75% of the building permits for the planned residential development within the District have been issued.

If such termination occurs prior to the final maturity of the Bonds, the Landowner shall give notice of such termination in the same manner as for an Annual Report hereunder.

SECTION 7. Dissemination Agent. The Landowner may from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the Landowner, the Dissemination Agent shall not be responsible in any manner for the form or content of any notice or report prepared by the Landowner pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing (i) thirty days written notice to the Landowner and the Dissemination Agent and (ii) upon appointment of a new Dissemination Agent hereunder.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Landowner may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The amendment or waiver either (i) is approved by the owners of the Bonds in the same manner as provided in the Indenture with the consent of owners of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel addressed to the District and the Dissemination Agent, materially impair the interests of the owners or Beneficial Owners of the Bonds; and
- (c) The Landowner, or the Dissemination Agent, shall have delivered copies of the amendment and any opinions delivered under (b) above to the District and the Trustee.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Landowner shall describe such amendment in the next Annual Report or Semiannual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Landowner.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Landowner from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Landowner chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Landowner shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

The Landowner acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Landowner, and that under some circumstances compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Landowner under such laws.

SECTION 10. Default. In the event of a failure of the Landowner or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Underwriter or any owner or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Landowner or the Dissemination Agent to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the Landowner or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Landowner, the Underwriter, owners of the Bonds or Beneficial Owners or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon a direction from the Landowner or an opinion of nationally recognized bond counsel. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Agreement. The Dissemination Agent may conclusively rely upon the Annual Report provided to it by the Landowner as constituting the Annual Report required of the Landowner in accordance with this Disclosure Agreement and shall have no duty or obligation to review such Annual Report. The Dissemination Agent shall have no duty to prepare the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the Landowner in a timely manner in a form suitable for filing with the Repositories. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act.

The Dissemination Agent will not, without the Landowner's prior written consent, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification may be sought hereunder unless such settlement, compromise or consent includes an unconditional release of the Landowner and its controlling persons from all liability arising out of such claim, action or proceedings. If a claim, action or proceeding is settled with the consent of the Landowner or if there is a final judgment (other than a stipulated final judgment without the approval of the Landowner) for the plaintiff in any such claim, action or proceeding, with or without the consent of the Landowner, the Landowner agrees to indemnify and hold harmless the Dissemination Agent to the extent described herein.

SECTION 12. Landowner as Independent Contractor. In performing under this Disclosure Agreement, it is understood that the Landowner is an independent contractor and not an agent of the District.

SECTION 13. Notices. Notices should be sent in writing to the following addresses. The following information may be conclusively relied upon until changed in writing.

Attachment C

Landowner: RMV PA3 Development, LLC
28811 Ortega Highway
San Juan Capistrano, CA 92675
Attn: Chief Financial Officer

Dissemination Agent: DTA, Inc.
5000 Birch Street, Suite 6000
Newport Beach, CA 92660
Attn: Andrea Roess

Underwriters: Piper Sandler & Co.
2321 Rosecrans Avenue, Suite 3200
El Segundo, California 90245
Attn:

RBC Capital Markets, LLC
Two Embarcadero Center, Suite 1200
San Francisco, CA 94111
Attn:

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Landowner, the District, the Dissemination Agent, the Underwriter and owners of the Bonds and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

RMV PA3 DEVELOPMENT, LLC, a Delaware limited liability company

By: RANCHO MISSION VIEJO, LLC, a Delaware limited liability company, as agent and manager

By: _____
Name: Elise L. Millington
Title: Chief Financial Officer

By: _____
Name: Donald L. Vodra
Title: Chief Operating Officer

DAVID TAUSSIG & ASSOCIATES, as Dissemination Agent

By: _____
Authorized Officer

APPENDIX H

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the District and the Underwriters believe to be reliable, but neither the District nor the Underwriters takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the District which the District believes to be reliable, but the District and the Underwriters do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be..

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized

Attachment C

representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE

Attachment C

VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX I

SAMPLE PROPERTY TAX BILLS

TABLE I-1
COUNTY OF ORANGE
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
ESTIMATED FISCAL YEAR 2022-23 SAMPLE TAX BILL
DEVELOPED PROPERTY - ATTACHED FLATS - MARKET RATE
ZONE 1 - TAX CLASS 1 (>1,350 SF)

<i>Assessed Valuation and Property Taxes</i>	<i>Percent of Total AV</i>	<i>Expected Amount</i>
TOTAL ASSESSED VALUE ⁽¹⁾	\$557,086	
NET ASSESSED VALUE ⁽¹⁾	\$550,086	
Unit Size ⁽²⁾	1,390 Square Feet	
 <i>AD VALOREM PROPERTY TAXES</i> ⁽³⁾		
Basic Levy	1.00000%	\$ 5,570.86
Metropolitan Water District G.O. Bonds	0.00350	19.50
Capistrano Unified School District SFID 1 Series 2001	0.00378	21.06
<u>Capistrano Unified School District SFID 1 Series 2012</u>	<u>0.00349</u>	<u>19.44</u>
Total General Property Taxes and Overrides	1.01077%	\$ 5,630.86
 ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES		
Mosquito & Fire Ant Assessment ⁽⁴⁾		\$ 6.72
Vector Control Charge ⁽⁵⁾		1.92
Metropolitan Water District West Standby Charge ⁽⁶⁾		10.08
<u>County of Orange CFD No. 2021-1</u> ⁽⁷⁾		<u>5,492.00</u>
Total Assessments and Parcel Charges		\$ 5,510.72
 PROJECTED TOTAL PROPERTY TAXES		 \$ 11,141.58
 Projected Total Effective Tax Rate (as % of Total Assessed Value)		 2.000%

⁽¹⁾ Based on expected base sale price for units in Tax Class 1 of Zone 1, provided by the Market Absorption Consultant as of March 22, 2022. Total Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on expected unit size for units in Tax Class 1 of Zone 1, provided by the Market Absorption Consultant as of March 22, 2022.

⁽³⁾ Estimated based on the Fiscal Year 2021-22 *ad valorem* rates.

⁽⁴⁾ Estimated based on the Fiscal Year 2021-22 rate of \$6.72 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁵⁾ Estimated based on the Fiscal Year 2021-22 rate of \$1.92 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on the Fiscal Year 2021-22 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁷⁾ Expected amount based on the Fiscal Year 2022-23 Special Tax of \$5,492.00 per unit for Tax Class 1 property of Zone 1, which is 100.00% of the Fiscal Year 2022-23 Assigned Special Tax of \$5,492.00 per unit. The Assigned Special Tax will escalate by 2.00% per year commencing July 1, 2023.

Source: DTA, Inc.

TABLE I-2
COUNTY OF ORANGE
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
ESTIMATED FISCAL YEAR 2022-23 SAMPLE TAX BILL
DEVELOPED PROPERTY - ATTACHED TOWNHOMES - MARKET RATE
ZONE 2 -TAX CLASS 1 (>1,500 SF)

<i>Assessed Valuation and Property Taxes</i>	<i>Percent of Total AV</i>	<i>Expected Amount</i>
TOTAL ASSESSED VALUE ⁽¹⁾	\$664,040	
NET ASSESSED VALUE ⁽¹⁾	\$657,040	
Unit Size ⁽²⁾	1,546 Square Feet	
 <i>AD VALOREM PROPERTY TAXES</i> ⁽³⁾		
Basic Levy	1.00000%	\$ 6,640.40
Metropolitan Water District G.O. Bonds	0.00350	23.24
Capistrano Unified School District SFID 1 Series 2001	0.00378	25.10
<u>Capistrano Unified School District SFID 1 Series 2012</u>	<u>0.00349</u>	<u>23.17</u>
Total General Property Taxes and Overrides	1.01077%	\$ 6,711.92
 ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES		
Mosquito & Fire Ant Assessment ⁽⁴⁾		\$ 6.72
Vector Control Charge ⁽⁵⁾		1.92
Metropolitan Water District West Standby Charge ⁽⁶⁾		10.08
<u>County of Orange CFD No. 2021-1</u> ⁽⁷⁾		<u>6,550.00</u>
Total Assessments and Parcel Charges		\$ 6,568.72
 PROJECTED TOTAL PROPERTY TAXES		 \$ 13,280.64
 Projected Total Effective Tax Rate (as % of Total Assessed Value)		 2.000%

⁽¹⁾ Based on expected base sale price for units in Tax Class 1 of Zone 2, provided by the Market Absorption Consultant as of March 22, 2022. Total Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on expected unit size for units in Tax Class 1 of Zone 2, provided by the Market Absorption Consultant as of March 22, 2022.

⁽³⁾ Estimated based on the Fiscal Year 2021-22 *ad valorem* rates.

⁽⁴⁾ Estimated based on the Fiscal Year 2021-22 rate of \$6.72 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁵⁾ Estimated based on the Fiscal Year 2021-22 rate of \$1.92 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on the Fiscal Year 2021-22 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁷⁾ Expected amount based on the Fiscal Year 2022-23 Special Tax of \$6,550.00 per unit for Tax Class 1 property of Zone 2, which is 100.00% of the Fiscal Year 2022-23 Assigned Special Tax of \$6,550.00 per unit. The Assigned Special Tax will escalate by 2.00% per year commencing July 1, 2023.

Source: DTA, Inc.

**TABLE I-3
COUNTY OF ORANGE
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
ESTIMATED FISCAL YEAR 2022-23 SAMPLE TAX BILL
DEVELOPED PROPERTY - DETACHED DUPLEX - MARKET RATE
ZONE 3 - TAX CLASS 1 (>1,800 SF)**

<i>Assessed Valuation and Property Taxes</i>	<i>Percent of Total AV</i>	<i>Expected Amount</i>
TOTAL ASSESSED VALUE ⁽¹⁾	\$739,787	
NET ASSESSED VALUE ⁽¹⁾	\$732,787	
Unit Size ⁽²⁾	1,812 Square Feet	
 <i>AD VALOREM PROPERTY TAXES</i> ⁽³⁾		
Basic Levy	1.00000%	\$ 7,397.87
Metropolitan Water District G.O. Bonds	0.00350	25.89
Capistrano Unified School District SFID 1 Series 2001	0.00378	27.96
<u>Capistrano Unified School District SFID 1 Series 2012</u>	<u>0.00349</u>	<u>25.82</u>
Total General Property Taxes and Overrides	1.01077%	\$ 7,477.55
 ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES		
Mosquito & Fire Ant Assessment ⁽⁴⁾		\$ 6.72
Vector Control Charge ⁽⁵⁾		1.92
Metropolitan Water District West Standby Charge ⁽⁶⁾		10.08
<u>County of Orange CFD No. 2021-1</u> ⁽⁷⁾		<u>7,299.00</u>
Total Assessments and Parcel Charges		\$ 7,317.72
 PROJECTED TOTAL PROPERTY TAXES		 \$ 14,795.27
 Projected Total Effective Tax Rate (as % of Total Assessed Value)		 2.000%

⁽¹⁾ Based on expected base sale price for units in Tax Class 1 of Zone 3, provided by the Market Absorption Consultant as of March 22, 2022. Total Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on expected unit size for units in Tax Class 1 of Zone 3, provided by the Market Absorption Consultant as of March 22, 2022.

⁽³⁾ Estimated based on the Fiscal Year 2021-22 *ad valorem* rates.

⁽⁴⁾ Estimated based on the Fiscal Year 2021-22 rate of \$6.72 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁵⁾ Estimated based on the Fiscal Year 2021-22 rate of \$1.92 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on the Fiscal Year 2021-22 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁷⁾ Expected amount based on the Fiscal Year 2022-23 Special Tax of \$7,299.00 per unit for Tax Class 1 property of Zone 3, which is 100.00% of the Fiscal Year 2022-2023 Assigned Special Tax of \$7,299.00 per unit. The Assigned Special Tax will escalate by 2.00% per year commencing July 1, 2023.

Source: DTA, Inc.

TABLE I-4
COUNTY OF ORANGE
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
ESTIMATED FISCAL YEAR 2022-2023 SAMPLE TAX BILL
DEVELOPED PROPERTY - DETACHED STUB ALLEY - MARKET RATE
ZONE 4 - TAX CLASS 1 (>1,750 SF)

<i>Assessed Valuation and Property Taxes</i>	<i>Percent of Total AV</i>	<i>Expected Amount</i>
TOTAL ASSESSED VALUE ⁽¹⁾	\$730,643	
NET ASSESSED VALUE ⁽¹⁾	\$723,643	
Unit Size ⁽²⁾	1,773 Square Feet	
 <i>AD VALOREM PROPERTY TAXES</i> ⁽³⁾		
Basic Levy	1.00000%	\$ 7,306.43
Metropolitan Water District G.O. Bonds	0.00350	25.57
Capistrano Unified School District SFID 1 Series 2001	0.00378	27.62
<u>Capistrano Unified School District SFID 1 Series 2012</u>	<u>0.00349</u>	<u>25.50</u>
Total General Property Taxes and Overrides	1.01077%	\$ 7,385.12
 ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES		
Mosquito & Fire Ant Assessment ⁽⁴⁾		\$ 6.72
Vector Control Charge ⁽⁵⁾		1.92
Metropolitan Water District West Standby Charge ⁽⁶⁾		10.08
<u>County of Orange CFD No. 2021-1</u> ⁽⁷⁾		<u>7,209.00</u>
Total Assessments and Parcel Charges		\$ 7,227.72
 PROJECTED TOTAL PROPERTY TAXES		 \$ 14,612.84
 Projected Total Effective Tax Rate (as % of Total Assessed Value)		 2.000%

⁽¹⁾ Based on expected base sale price for units in Tax Class 1 of Zone 4, provided by the Market Absorption Consultant as of March 22, 2022. Total Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on expected unit size for units in Tax Class 1 of Zone 4, provided by the Market Absorption Consultant as of March 22, 2022.

⁽³⁾ Estimated based on the Fiscal Year 2021-22 *ad valorem* rates.

⁽⁴⁾ Estimated based on the Fiscal Year 2021-22 rate of \$6.72 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁵⁾ Estimated based on the Fiscal Year 2021-22 rate of \$1.92 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on the Fiscal Year 2021-22 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁷⁾ Expected amount based on the Fiscal Year 2022-23 Special Tax of \$7,209.00 per unit for Tax Class 1 property of Zone 4, which is 100.00% of the Fiscal Year 2022-23 Assigned Special Tax of \$7,209.00 per unit. The Assigned Special Tax will escalate by 2.00% per year commencing July 1, 2023.

Source: DTA, Inc.

**TABLE I-5
COUNTY OF ORANGE
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
ESTIMATED FISCAL YEAR 2022-2023 SAMPLE TAX BILL
DEVELOPED PROPERTY - TRADITIONAL DETACHED - MARKET RATE
ZONE 5 - TAX CLASS 6 (<1,801 SF)**

<i>Assessed Valuation and Property Taxes</i>	<i>Percent of Total AV</i>	<i>Expected Amount</i>
TOTAL ASSESSED VALUE ⁽¹⁾	\$718,732	
NET ASSESSED VALUE ⁽¹⁾	\$711,732	
Unit Size ⁽²⁾	1,728 Square Feet	
 <i>AD VALOREM PROPERTY TAXES</i> ⁽³⁾		
Basic Levy	1.00000%	\$ 7,187.32
Metropolitan Water District G.O. Bonds	0.00350	25.16
Capistrano Unified School District SFID 1 Series 2001	0.00378	27.17
<u>Capistrano Unified School District SFID 1 Series 2012</u>	<u>0.00349</u>	<u>25.08</u>
Total General Property Taxes and Overrides	1.01077%	\$ 7,264.73
 <i>ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES</i>		
Mosquito & Fire Ant Assessment ⁽⁴⁾		\$ 6.72
Vector Control Charge ⁽⁵⁾		1.92
Metropolitan Water District West Standby Charge ⁽⁶⁾		10.08
<u>County of Orange CFD No. 2021-1</u> ⁽⁷⁾		<u>7,091.00</u>
Total Assessments and Parcel Charges		\$ 7,109.72
 PROJECTED TOTAL PROPERTY TAXES		 \$ 14,374.45
 Projected Total Effective Tax Rate (as % of Total Assessed Value)		 2.000%

⁽¹⁾ Based on expected base sale price for units in Tax Class 6 of Zone 5, provided by the Market Absorption Consultant as of March 22, 2022. Total Assessed Value includes \$7,000 homeowner's exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on expected unit size for units in Tax Class 6 of Zone 5, provided by the Market Absorption Consultant as of March 22, 2022.

⁽³⁾ Estimated based on the Fiscal Year 2021-22 *ad valorem* rates.

⁽⁴⁾ Estimated based on the Fiscal Year 2021-22 rate of \$6.72 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁵⁾ Estimated based on the Fiscal Year 2021-22 rate of \$1.92 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on the Fiscal Year 2021-22 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁷⁾ Expected amount based on the Fiscal Year 2022-23 Special Tax of \$7,091.00 per unit for Tax Class 6 property of Zone 5, which is 100.00% of the Fiscal Year 2022-23 Assigned Special Tax of \$7,091.00 per unit. The Assigned Special Tax will escalate by 2.00% per year commencing July 1, 2023.

Source: DTA, Inc.

TABLE I-6
COUNTY OF ORANGE
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
ESTIMATED FISCAL YEAR 2022-2023 SAMPLE TAX BILL
DEVELOPED PROPERTY - AGE-QUALIFIED CLUSTER DETACHED - MARKET RATE
ZONE 7 - TAX CLASS 4 (1,201 SF - 1,400 SF)

<i>Assessed Valuation and Property Taxes</i>	<i>Percent of Total AV</i>	<i>Expected Amount</i>
TOTAL ASSESSED VALUE ⁽¹⁾	\$680,925	
NET ASSESSED VALUE ⁽¹⁾	\$673,925	
Unit Size ⁽²⁾	1,297 Square Feet	
 <i>AD VALOREM PROPERTY TAXES</i> ⁽³⁾		
Basic Levy	1.00000%	\$ 6,809.25
Metropolitan Water District G.O. Bonds	0.00350	23.83
Capistrano Unified School District SFID 1 Series 2001	0.00378	25.74
<u>Capistrano Unified School District SFID 1 Series 2012</u>	<u>0.00349</u>	<u>23.76</u>
Total General Property Taxes and Overrides	1.01077%	\$ 6,882.59
 ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES		
Mosquito & Fire Ant Assessment ⁽⁴⁾		\$ 6.72
Vector Control Charge ⁽⁵⁾		1.92
Metropolitan Water District West Standby Charge ⁽⁶⁾		10.08
<u>County of Orange CFD No. 2021-1</u> ⁽⁷⁾		<u>5,330.00</u>
Total Assessments and Parcel Charges		\$ 5,348.72
 PROJECTED TOTAL PROPERTY TAXES		 \$ 12,231.31
 Projected Total Effective Tax Rate (as % of Total Assessed Value)		 1.796%

⁽¹⁾ Based on weighted average of value ratios by planning area for units in Tax Class 4 of Zone 7, provided by the Market Absorption Consultant as of March 22, 2022. Total Assessed Value includes \$7,000 homeowners exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on expected unit size for units in Tax Class 4 of Zone 7, provided by the Market Absorption Consultant as of March 22, 2022.

⁽³⁾ Estimated based on the Fiscal Year 2021-22 *ad valorem* rates.

⁽⁴⁾ Estimated based on the Fiscal Year 2021-22 rate of \$6.72 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁵⁾ Estimated based on the Fiscal Year 2021-22 rate of \$1.92 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on the Fiscal Year 2021-22 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁷⁾ Expected amount based on the Fiscal Year 2022-23 Special Tax of \$5,330.00 per unit for Tax Class 4 property of Zone 7, which is 100.00% of the Fiscal Year 2022-23 Assigned Special Tax of \$5,330.00 per unit. The Assigned Special Tax will escalate by 2.00% per year commencing July 1, 2023.

Source: DTA, Inc.

TABLE I-7
COUNTY OF ORANGE
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (RIENDA)
ESTIMATED FISCAL YEAR 2022-2023 SAMPLE TAX BILL
DEVELOPED PROPERTY - AGE-QUALIFIED ALLEY DETACHED - MARKET RATE
ZONE 8 - TAX CLASS 2 (1,751 SF - 1,950 SF)

<i>Assessed Valuation and Property Taxes</i>	<i>Percent of Total AV</i>	<i>Expected Amount</i>
TOTAL ASSESSED VALUE ⁽¹⁾	\$799,077	
NET ASSESSED VALUE ⁽¹⁾	\$792,077	
Unit Size ⁽²⁾	1,774 Square Feet	
 <i>AD VALOREM PROPERTY TAXES</i> ⁽³⁾		
Basic Levy	1.00000%	\$ 7,990.77
Metropolitan Water District G.O. Bonds	0.00350	27.97
Capistrano Unified School District SFID 1 Series 2001	0.00378	30.21
<u>Capistrano Unified School District SFID 1 Series 2012</u>	<u>0.00349</u>	<u>27.89</u>
Total General Property Taxes and Overrides	1.01077%	\$ 8,076.83
 ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES		
Mosquito & Fire Ant Assessment ⁽⁴⁾		\$ 6.72
Vector Control Charge ⁽⁵⁾		1.92
Metropolitan Water District West Standby Charge ⁽⁶⁾		10.08
<u>County of Orange CFD No. 2021-1</u> ⁽⁷⁾		<u>6,178.00</u>
Total Assessments and Parcel Charges		\$ 6,196.72
 PROJECTED TOTAL PROPERTY TAXES		 \$ 14,273.55
 Projected Total Effective Tax Rate (as % of Total Assessed Value)		 1.786%

⁽¹⁾ Based on weighted average of value ratios by planning area for units in Tax Class 2 of Zone 8, provided by the Market Absorption Consultant as of March 22, 2022. Total Assessed Value includes \$7,000 homeowners exemption. Total Assessed Value used to determine the Total Effective Tax Rate.

⁽²⁾ Based on expected unit size for units in Tax Class 2 of Zone 8, provided by the Market Absorption Consultant as of March 22, 2022.

⁽³⁾ Estimated based on the Fiscal Year 2021-22 *ad valorem* rates.

⁽⁴⁾ Estimated based on the Fiscal Year 2021-22 rate of \$6.72 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁵⁾ Estimated based on the Fiscal Year 2021-22 rate of \$1.92 per benefit unit. Residential parcels are assessed at 1 benefit unit.

⁽⁶⁾ Estimated based on the Fiscal Year 2021-22 rate of \$10.08 per parcel or per acre, whichever is greater.

⁽⁷⁾ Expected amount based on the Fiscal Year 2022-23 Special Tax of \$6,178.00 per unit for Tax Class 2 property of Zone 8, which is 100.00% of the Fiscal Year 2022-23 Assigned Special Tax of \$6,178.00 per unit. The Assigned Special Tax will escalate by 2.00% per year commencing July 1, 2023.

Source: DTA, Inc.

APPENDIX J
MARKET ABSORPTION STUDY

APPENDIX K

**RMV PA3 DEVELOPMENT, LLC UNAUDITED FINANCIAL
INFORMATION**

**RMV PA3 Development, LLC
Balance Sheets
(Unaudited)**

ASSETS

		<u>5/31/2022</u>	<u>12/31/2021</u>
Cash and Cash Equivalents	Note 1	\$ 105,374,819.70	\$ 30,764,273.50
Accounts Receivable from Builders	Note 2	41,680,739.00	85,941,869.00
Land and Land Improvements	Note 3	332,249,815.68	313,955,131.46
Accounts Receivable from Affiliates		175,631.02	75,849.56
Total Assets		<u>\$ 479,481,005.40</u>	<u>\$ 430,737,123.52</u>

LIABILITIES AND MEMBERS' EQUITY

Accounts Payable & Accrued Liabilities	Note 4	\$ 5,996,049.38	\$ 6,928,203.62
Builder Sales Deferred Income		66,242,691.49	75,637,818.36
Costs to Complete		122,427,534.93	75,819,447.38
		<u>\$ 194,666,275.80</u>	<u>\$ 158,385,469.36</u>
Member's Equity			
RMV Community Development, LLC		\$ 268,416,115.05	\$ 268,416,115.05
Retained Earnings		16,398,614.55	3,935,539.11
		<u>284,814,729.60</u>	<u>272,351,654.16</u>
Total Liabilities & Members' Equity		<u>\$ 479,481,005.40</u>	<u>\$ 430,737,123.52</u>

**Statements of Operations
For the Current Month and Year to Date Period Ended May 31, 2022**

	<u>Current Month</u>	<u>Year to Date</u>
Revenue		
Land Sales	\$ -	\$ 62,755,667.66
Total Income	<u>-</u>	<u>62,755,667.66</u>
Cost of Sales		
Land Cost of Sales	-	48,342,233.62
Total Cost of Sales	<u>-</u>	<u>48,342,233.62</u>
Other Income:		
Interest and Other Income	733.21	8,608.67
Total Other Income	<u>733.21</u>	<u>8,608.67</u>
Other Expenses:		
Marketing Expenses	621,921.67	1,569,087.83
Other G&A	72,300.13	388,330.22
Total Other Expenses	<u>695,771.02</u>	<u>1,958,967.27</u>
Net Other	<u>(695,037.81)</u>	<u>(1,950,358.60)</u>
Net Income/(Loss)	<u>\$ (695,037.81)</u>	<u>\$ 12,463,075.44</u>

U:\PA3 and 4\Financials\2022 FS\2022-05 RMVPA3 FS\2022-05 RMV PA3 FS (CFD 2021-1)

Attachment C

RMV PA3 Development, LLC
Notes to Financial Statements
May 31, 2022
(Unaudited)

Note 1 Cash and Cash Equivalents

Union Bank Checking	\$	5,130,052.11
Union Bank Money Market		9,046,055.92
Union Bank Library Fund Money Market		1,034,208.69
County of Orange Trust PA3		164,502.98
Temporary Investments*		90,000,000.00
Total	\$	105,374,819.70

* Temporary Investments represent Commercial Paper with short-term maturities.

Note 2 Accounts Receivable from Builders

Accounts Receivable from Builders represents future contracted takedown payments for Planning Area 3.1 and 3.2A residential land.

Note 3 Land and Land Improvements

Land and Land Improvements are carried at cost which, in management's opinion, is not in excess of that which will be realized from the orderly development and disposition of the Project.

Land and Land Improvements includes direct and indirect land costs, offsite and onsite improvement costs, as well as carrying charges during such time as a portion of the Project is under active development.

Selling and marketing costs are generally expensed as incurred unless future benefit from such expenditures can be demonstrated.

The allocation of Land and Land Improvements to Cost of Sales is determined based on the relative sales value.

Land and Land Improvements at May 31, 2022 consist of:

Land	\$	116,625,000.00
Land Improvements		281,537,644.99
Cost of Sales		<u>(188,340,364.24)</u>
Total Inventory		209,822,280.75
Costs to Complete		<u>122,427,534.93</u>
Net Land and Land Improvements	\$	<u>332,249,815.68</u>

Note 4 Accounts Payable & Accrued Liabilities

	<u>5/31/2022</u>	<u>12/31/2021</u>
Accounts Payable	\$ 5,967,343.35	\$ 6,928,203.62
Accrued Property Taxes	28,706.03	-
	<u>\$ 5,996,049.38</u>	<u>\$ 6,928,203.62</u>