

\$ _____
**COMMUNITY FACILITIES DISTRICT NO. 2004-1
OF THE COUNTY OF ORANGE
(LADERA RANCH)
SERIES 2023 SPECIAL TAX REFUNDING BONDS**

COSTS OF ISSUANCE AGREEMENT

THIS COSTS OF ISSUANCE AGREEMENT is entered into as of _____, 2023 (this “Agreement”), by and between Community Facilities District No. 2004-1 of the County of Orange (Ladera Ranch) (the “District”) and U.S. Bank Trust Company, National Association (“US Bank”), a national banking association duly organized and operating under the laws of the United States of America.

WHEREAS, on January 14, 2014 the Board of Supervisors of the County of Orange, acting as the legislative body of the District adopted Resolution No. 14-012 and executed a Supplement to Resolution No. 14-012 dated January 14, 2014 (the “Original Resolution”) authorizing the issuance of the District’s Series 2014A Special Tax Refunding Bonds, which are being refunded by the above-captioned bonds (the “Bonds”);

WHEREAS, on _____, 2023 the Board of Supervisors of the County of Orange, acting as the legislative body of the District adopted Resolution No. 23-___ authorizing the issuance of the Bonds and the execution and delivery of the Supplemental Resolution No. 1 to Supplement to Resolution No. 14-012 (collectively, with the Original Resolution, the “District Resolution”);

WHEREAS, in accordance with the terms of the District Resolution, the District desires to engage US Bank to establish a Cost of Issuance Fund (as defined herein) and to pay certain of the costs associated with the issuance and delivery of the Bonds (the “Costs of Issuance”); and

WHEREAS, US Bank has agreed to accept a deposit in the amount of \$_____ (the “Cost of Issuance Deposit”) from the District and to disburse payments of Costs of Issuance on behalf of the District to various persons in accordance with the terms of this Agreement, and has full power and authority to perform and serve as agent for the District in connection with the payment of the Costs of Issuance and to perform its duties hereunder;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I

APPOINTMENT OF US BANK

Section 1.01. APPOINTMENT. The District hereby appoints US Bank to serve as its agent with respect to the payment of the Costs of Issuance, upon receipt of invoices by US Bank, all in accordance with this Agreement. US Bank hereby accepts its appointment and agrees to serve as the District’s agent for the disbursement of the Cost of Issuance Deposit to pay the Costs of Issuance.

Section 1.02. COMPENSATION. US Bank will receive a one-time fee of \$_____, payable out of the Cost of Issuance Deposit, as compensation for its services hereunder. In addition, US Bank shall be entitled to payment of all reasonable expenses incurred in satisfaction of any of the provisions hereof, but only out of the Cost of Issuance Deposit.

ARTICLE II

COST OF ISSUANCE DEPOSIT

Section 2.01. COST OF ISSUANCE DEPOSIT. There are hereby established accounts to be known as the Community Facilities District No. 2004-1 of the County of Orange (Ladera Ranch) Series 2023 Cost of Issuance Fund (the “Cost of Issuance Fund”) to be held by US Bank, into which US Bank shall deposit the Cost of Issuance Deposit, consisting of \$_____ of proceeds of the Bonds.

ARTICLE III

DUTIES OF US BANK

Section 3.01. DUTIES OF US BANK.

(a) US Bank shall pay from the Cost of Issuance Deposit held in the Cost of Issuance Fund those Costs of Issuance for which US Bank has received a written invoice from a payee listed on Exhibit A hereto; provided, that each payee shall not be paid more than the sum of the amounts listed for such payee on Exhibit A, and that the Cost of Issuance Deposit is sufficient to cover such payment. The District reserves the right, in its sole discretion, to modify or amend the payment of any Costs of Issuance and to direct US Bank accordingly.

(b) If the Cost of Issuance Deposit proves insufficient to pay any Costs of Issuance for which an invoice scheduled on Exhibit A has been presented to US Bank, US Bank shall honor such invoice to the extent of amounts remaining on deposit in the Cost of Issuance Fund, and the District shall be responsible for payment of any amount of such invoice remaining unpaid.

(c) US Bank shall hold all amounts in the Cost of Issuance Fund in cash and such amounts will not be invested.

(d) The Cost of Issuance Fund shall be closed on the earlier to occur of (1) the date which is four months following the date hereof; (2) the date on which all invoices scheduled on Exhibit A are paid in full; or (3) the date that the last available sums on deposit in the Cost of Issuance Fund are disbursed in accordance with paragraph (a) above. At that time, US Bank shall remit any amount remaining in the Cost of Issuance Fund to the District, and the District shall deposit such amount into the Community Facilities District No. 2004-1 of the County of Orange (Ladera Ranch) Special Tax Fund established under the District Resolution.

ARTICLE IV

ADDITIONAL PROVISIONS REGARDING US BANK

Section 4.01. ADDITIONAL RIGHTS AND DUTIES. US Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof and may conclusively rely on the certificates, invoices and requisitions furnished to US Bank. In addition:

(a) No provision of this Agreement shall require US Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(b) US Bank shall be protected in acting or refraining from acting upon and shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, resolution, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(c) US Bank may consult with counsel, and the written advice of such counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(d) US Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(e) To the extent permitted by law, the District shall indemnify, defend and hold harmless US Bank and its officers, directors, employees, representatives and agents, from and against and reimburse US Bank for any and all claims, expenses, obligations, liabilities, losses, damages, of whatever kind or nature regardless of their merit, demanded, asserted or claimed against US Bank directly or indirectly relating to, or arising from, claims against US Bank by reason of its performance hereunder, except to the extent caused by US Bank's negligence or willful misconduct. The provisions of this Section 4.01(e) shall survive the termination of this Agreement or the earlier resignation or removal of US Bank.

(f) US Bank agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, US Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give US Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and US Bank in its discretion elects to act upon such instructions, US Bank's understanding of such instructions shall be deemed controlling. US Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from US Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to

assume all risks arising out of the use of such electronic methods to submit instructions and directions to US Bank, including without limitation the risk of US Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 4.02. MONEY HELD IN COST OF ISSUANCE FUND. The Cost of Issuance Deposit shall be held in a fiscal agency capacity for the payment of the Costs of Issuance. Payments made from the Cost of Issuance Fund shall be made by check or wire transfer drawn on such trust account.

All funds at any time and from time to time provided to or held by US Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by US Bank as fiscal agent for the District. US Bank acknowledges, covenants, and represents that it is acting herein in a fiscal agency capacity in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as agent for and on behalf of the District pursuant to the terms of this Agreement. The District shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to US Bank hereunder shall not be subject to warrants, drafts, or checks drawn by the District and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by US Bank.

US Bank shall be under no liability for interest on any money received by it hereunder.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01. AMENDMENT. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 5.02. ASSIGNMENT. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 5.03. NOTICES. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the District or US Bank shall be mailed or delivered to the District or US Bank, respectively, at the following addresses:

Community Facilities District No. 2004-1 of the County of Orange (Ladera Ranch)
400 West Civic Center Drive
Santa Ana, CA 92701
Facsimile: (714) 834-3346
Attention: Finance Team Lead

US Bank Trust Company, National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Facsimile: (213) 615-6199
Attention: Corporate Trust Services

Section 5.04. SUCCESSORS AND ASSIGNS. All covenants and agreements herein by the District shall bind its successors and assigns, whether so expressed or not.

Section 5.05. SEVERABILITY. In case any provision herein shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 5.06. BENEFITS OF AGREEMENT. Nothing herein, expressed or implied, shall give to any person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 5.07. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto relative to US Bank acting in such capacity as agent of the District.

Section 5.08. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 5.09. TERMINATION. This Agreement will terminate on the date that is established under Section 3.01(d) hereof, at which time US Bank shall close the Cost of Issuance Fund. This Agreement may be earlier terminated by either party upon 30 days written notice to the other party hereto. Upon an early termination of this Agreement, US Bank agrees to promptly transfer and deliver to the District all pertinent records relating to the Cost of Issuance Fund and to transfer to the District all amounts remaining in the Cost of Issuance Fund.

Section 5.10. GOVERNING LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COMMUNITY FACILITIES DISTRICT NO. 2004-1
OF THE COUNTY OF ORANGE (LADERA
RANCH)

By: _____
Budget & Finance Director of the County of
Orange

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION

By: _____
Authorized Representative

EXHIBIT A-1

\$ _____
**COMMUNITY FACILITIES DISTRICT NO. 2004-1
 OF THE COUNTY OF ORANGE
 (LADERA RANCH)
 SERIES 2023 SPECIAL TAX REFUNDING BONDS**

ESTIMATED COSTS OF ISSUANCE

| Payee | Purpose | Amount* |
|--|--|----------------|
| County of Orange | Issuance Expenses | |
| Stradling Yocca Carlson & Rauth | Bond and Disclosure Counsel Fee and Expenses | |
| Fieldman, Rolapp & Associates, Inc. | Municipal Advisor Fee and Expenses | |
| U.S. Bank Trust Company, National Association. | Paying Agent/Registrar Fee and Expenses | |
| DTA, Inc. | Special Tax Consultant | |
| S&P Global Ratings | Rating Agency Fee | |
| | Printing & Mailing Preliminary Official Statement and Official Statement and Investor Roadshow | |
| Causey Demgen & Moore P.C. | Verification Report | |
| Contingency | | |
| TOTAL | | |

* Not to exceed amount subject to invoice.