RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Capistrano Unified School District 33122 Valle Road San Juan Capistrano, CA 92675 Attn: Deputy Superintendent, Business Support Services

Space Above This Line For Recorder's Use Only

FIRST AMENDED IMPACT MITIGATION AGREEMENT RELATED TO THE WHISPERING HILLS PROJECT AND COMMUNITY FACILITIES DISTRICT NO. 2005-1

THIS FIRST AMENDED IMPACT MITIGATION AGREEMENT RELATED TO THE WHISPERING HILLS PROJECT AND COMMUNITY FACILITIES DISTRICT NO. 2005-1 ("F/A Agreement"), dated this _____ day of ______ 2011, is by and between CAPISTRANO UNIFIED SCHOOL DISTRICT of Orange County, California ("School District"), a school district organized and existing under the laws of the State of California ("State"), COMMUNITY FACILITIES DISTRICT NO. 2005-1 OF CAPISTRANO UNIFIED SCHOOL DISTRICT (Whispering Hills), a community facilities district formed under the laws of the State ("CFD No. 2005-1"), WHISPERING HILLS, LLC, a Delaware limited liability company ("Prior Owner" or "WHLLC") and RANCHO SAN JUAN DEVELOPMENT LLC. ("Landowner"), a Delaware limited liability company, individually a "Party" and in some instances referred to herein as the "Parties."

RECITALS

- A. Landowner is the current owner of the property described in Exhibit "A" hereto ("Property"). The Property was conveyed to Landowner by Prior Owner, by grant deed recorded on April 6, 2009, as Instrument No. 09-000163909 in the Official Records of Orange County, California ("Official Records").
- B. School District and the Prior Owner, previously entered into the Reimbursement Agreement, dated January 23, 2002, and the Impact Mitigation Agreement Related to Proposed Community Facilities District No. 2005-1, dated July 1, 2005 (collectively, "Prior Mitigation Agreements"), which have been assigned to and assumed by Landowner.
- C. Prior Owner and School District also entered into that certain Purchase and Sale Agreement and Escrow Instructions, dated April 28, 2003 ("Purchase Agreement").
- D. Pursuant to the Purchase Agreement and as partial payment of the purchase price for property acquired by School District under the Purchase Agreement, School District executed and delivered to Prior Owner a non-interest bearing promissory note dated April 28, 2003, in the

principal amount of \$6,000,000 ("WHCFD Note"). The provisions below which address WHLLC and the WHCFD Note necessitate WHLLC being added as a Party to this F/A Agreement.

- E. The Parties have entered into this F/A Agreement, subject to completion of the S/T Revision Proceedings (defined below), to (i) supersede the Prior Mitigation Agreements, (ii) terminate the WHCFD Note, upon this F/A Agreement becoming effective, and (iii) create a special obligation of CFD No. 2005-1, and not of School District, to make those "Incremental Payments" provided for herein from the proceeds of "Special Taxes" and "Bonds" of CFD No. 2005-1, but only to the extent provided for in this F/A Agreement. Prior Owner previously entered into the Joint Community Facilities Agreement dated July 1, 2005 ("JCFA"), which Landowner desires to amend. Toward such end, School District, CFD No. 2005-1, Prior Owner, and Landowner shall execute this F/A Agreement, concurrent with the execution hereof by the City of the First Amended and Restated Joint Community Facilities Agreement among Capistrano Unified School District, Community Facilities District No. 2005-1 of Capistrano Unified District (Whispering Hills), City of San Juan Capistrano, Rancho San Juan Development LLC, and Whispering Hills, LLC ("F/A JCFA").
- F. Concurrent with execution of this F/A Agreement, the Parties, exclusive of CFD No. 2005-1, have entered into a "Settlement Agreement" in order to resolve certain issues relating to the Purchase Agreement and relating to performance of this F/A Agreement, including issuance of the Bonds as provided in this F/A Agreement. The Settlement Agreement, this F/A Agreement and the F/A JCFA each are contingent on the concurrent execution and performance of the other such respective agreements by all parties.
- G School District, at the request of Prior Owner, formed CFD No. 2005-1, which has authorized such Special Taxes and Bonds therefor, as provided for in the Prior Agreements, the current boundaries of which, including Annexation No. 1 thereto, are depicted on Exhibit "B" and by reason thereof, CFD No. 2005-1 is hereby added as a Party to this F/A Agreement.
- H. Landowner currently proposes to develop 155 Dwelling Units on a portion of the Property, but of a different size and assumed "Base Sales Price" than that proposed by Prior Owner at the time of the formation of CFD No. 2005-1.
- I. Landowner requested that CFD No. 2005-1 commence proceedings to consider reducing the Special Taxes of CFD No. 2005-1 ("S/T Revision Proceedings") since the anticipated Base Sales Price of the presently proposed Dwelling Units to be constructed within the Property are anticipated to be less than assumed at the time of formation of CFD No. 2005-1, as set forth on the proposed "First Amended RMA" for CFD No. 2005-1 attached hereto as Exhibit "C."
- J. School District and Landowner agree that the development of the Property will generate additional students in grades kindergarten through twelfth ("Project Students").
- K. CFD No. 2005-1 and Landowner are entering into this F/A Agreement in order that CFD No. 2005-1 shall levy Special Taxes and take all action necessary to offer for sale, sell,

and upon such sale, issue Bonds of CFD No. 2005-1, from time to time, on the basis of the S/T Revision Proceedings, the School District's "Goals and Policies" (defined below), sound municipal financing practices and this F/A Agreement

- L. School District, CFD No. 2005-1, WHLLC, and Landowner agree that it is in their mutual best interest to enter into this F/A Agreement for the purpose of funding School Facilities necessary to serve the Project Students.
- M. Landowner's and School District's participation, cooperation, and performance of this F/A Agreement is intended to constitute complete mitigation of the impact upon the School District of the development of the Property in lieu of any fees, charges, dedications or other requirements which the School District might have imposed upon Landowner for School Facilities pursuant to Education Code Section 17620 or Government Code Sections 65970 *et seq.* and 65995 *et seq.*, or as may be authorized by any other existing or future legislation, ordinance, resolution or court decision. Notwithstanding anything herein to the contrary, it is not the intent of the School District or Landowner to limit the School District's ability or right to levy any future authorized, voter-approved ad valorem taxes, special taxes, or voter-approved, parcel taxes the proceeds of which are used for modernization, expansion or additions to existing School Facilities or additional property relating to an existing school site. Voter-approved parcel taxes, or similar levies applicable throughout the School District, may be authorized as to the Property which relate to operating costs, modernization, technology or upgrades of school facilities.

AGREEMENT

Section 1.0 Recitals.

The foregoing Recitals are true and correct. School District and Landowner each adopt, affirm, and ratify each and all of the facts recited in the foregoing Paragraphs A through N, inclusive. Each of said recitals shall form a material and integral part of the terms of this F/A Agreement, and are incorporated as if here set forth in full.

- **Section 2.0** <u>Definitions.</u> The capitalized terms used in this F/A Agreement that are not otherwise defined elsewhere in the F/A Agreement shall have the meaning set forth below.
- "Act" means the Mello-Roos Community Facilities Act of 1982, Government Code Section 53311 *et seq.*, as amended from time to time.
- "Assessor's Parcel" means a lot or parcel of land designated 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" shall have the meaning ascribed to it in the First Amended RMA.

- "**Bonds**" means any obligation to repay a sum of money, including, without limitation, obligations in the form of bonds, notes, certificates of participation, contractual obligations or any refunding thereof incurred by CFD No. 2005-1 for School Facilities and the City Facilities and repayable out of Special Taxes of CFD No. 2005-1.
- "Certificate of Compliance" means (i) a certificate issued by the School District pursuant to Education Code Section 17620(b) acknowledging that the recipient thereof has complied with all requirements of the School District for the payment of statutory school fees/alternative school facility fees/mitigation payments, and (ii) a certificate issued by the School District acknowledging that adequate provisions have been made for school facilities.
- "CFD No. 2005-1" means Community Facilities District No. 2005-1 of the Capistrano Unified School District (Whispering Hills).
 - "City" means the City of San Juan Capistrano, California.
- "City Facilities" means the facilities to be funded from the proceeds of CFD No. 2005-1 Special Taxes and Bonds that provide a credit against City fees, in each case incidental to the development of the Property, which facilities will be owned and operated by the City, as further described in the F/A JCFA.
- "City Facilities Account" means an account established by the Indenture as described in Section 8.2(e)(iv).
 - "County" means the County of Orange, California.
 - "Custom Lots" shall have the meaning ascribed to it in the First Amended RMA.
 - "Developed Property" shall have the meaning ascribed to it in the First Amended RMA.
- **"Dwelling Unit"** means each residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.
- "F/A JCFA" means the First Amended Joint Community Facilities Agreement, as approved and executed by School District, CFD No. 2005-1, the City, Prior Owner, and Landowner.
- **"First Amended RMA"** means the proposed First Amended Rate and Method of Apportionment of CFD No. 2005-1 attached hereto as Exhibit "C."
- "Goals and Policies" means the Capistrano Unified School District Statement of Local Goals and Policies concerning the use of the Mello-Roos Community Facilities Act of 1982, as amended, adopted August 1993, as revised through May 2008, and attached hereto as Exhibit "F."
 - "Incremental Payment Obligation" is defined in Section 8.5 below.

- "Incremental Payments" means payments from proceeds of Special Taxes and Bonds of CFD No. 2005-1 to Landowner in satisfaction of the Incremental Payment Obligation.
- "Incremental Payment Subaccount" means a subaccount of the School Facilities Account.
- "Indenture" means the indenture of trust, fiscal agent agreement or similar document approved by CFD No. 2005-1 with respect to the Bonds.
- "JCFA" means the Joint Community Facilities Agreement, dated as of July 1, 2005, among the City, the School District and the Prior Owner relating to CFD No. 2005-1.
 - "Payment Date" is defined in Section 8.5 below.
 - "Project Subaccount" means a subaccount of the School Facilities Account.
- "Priority Administrative Expense Requirement" shall mean the initial amount of \$50,000, as escalated by 2% per year each July 1 commencing on the July 1 following the issuance of the first series of Bonds.
 - "Property" means the real property described in Exhibit "A" attached hereto.
- "School Facilities" means the school facilities of the type described in Exhibit "E" hereto.
- "School Facilities Account" means an account established by the Indenture as described in Section 8.2(e)(iv) herein.
 - "**Special Fund**" is defined in Section 8.1(a) below.
- "Special Taxes" means any of the special taxes, as amended, authorized to be levied on the Property pursuant to the Act and the First Amended RMA.
- "S/T Revision Proceedings" means proceeding by School District to consider reducing the Special Taxes of CFD No. 2005-1 as provided in the First Amended RMA for CFD No. 2005-1 and attached hereto as Exhibit "C."
- "Undeveloped Property" shall have the meaning ascribed to it in the First Amended RMA.
- "Underwriter" shall mean the underwriter selected by CFD No. 2005-1, following consultation with the School District and Landowner, for each series of Bonds, which underwriter shall have been among the top three underwriters, by initial principal amount sold, of land-secured, tax-exempt assessment district and community facilities district bonds in the State of California during the previous three-year period as determined by CFD No. 2005-1.

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Section 3.0 Purpose and Covenants.

- 3.1 <u>Satisfaction of School Facilities Obligation</u>. The purposes of this F/A Agreement include establishing a method of funding the School Facilities needed to house Project Students, the Incremental Payment Obligation and the City Facilities to the extent herein provided. By entering into this F/A Agreement, complying and performing its terms, Landowner shall be deemed to have fulfilled and mitigated its entire obligation to assist in funding School Facilities to serve the Project Students to satisfy any obligations of Landowner to School District which would otherwise be imposed and assessed to Landowner with respect to the Property pursuant to Education Code Section 17620 and/or Government Code Section 65970 *et seq.*, and Section 65995 *et seq.*, or as may be authorized by any other existing or future legislation, ordinance, resolution or court decision. As a result, so long as Landowner is not in breach of this F/A Agreement, School District hereby covenants that it will not under any circumstances at any time:
- (a) Exercise any power or authority (under Section 17620 of the California Education Code or any other provision of applicable law) to levy a fee, charge, dedication, or other form of requirement against any Dwelling Unit or any development undertaken within the boundaries of the Property for the purpose of funding or financing any school facilities, provided that, notwithstanding anything herein to the contrary, nothing contained in this F/A Agreement shall limit the School District's ability or right to levy any future authorized, voter-approved ad valorem taxes or voter-approved parcel taxes the proceeds of which are used for modernization, expansion, or additions to existing school facilities or additional property relating to an existing school site. Such proceeds shall not be used for new school facilities for Project Students. Voter-approved parcel taxes or similar levies may be authorized as to the Property which relate to operating costs, modernization, technology or upgrades of K-12 School Facilities:
- (b) require the City, County, or any other governmental entity to exercise, or cooperate with the City or any other governmental entity in the exercise of the power under Title 7, Division 1, Chapter 4.7 of the California Government Code (commencing with Section 65970) or any other provision of applicable law, to require the dedication of land, the payment of fees in lieu thereof, or both for classroom or related facilities for school facilities as a condition to the approval of a Dwelling Unit or any development undertaken within the boundaries of the Property;
- (c) oppose development (including but not limited to commercial, industrial or residential development) within the Property on the basis of inadequate school facilities or seek other forms of mitigation with respect to the adequacy of school facilities including, but not limited to, the establishment of developer fees, the payment of money by Landowner, the dedication of land, or the application of an assessment or requirement of any nature against Landowner or any property including commercial, industrial and residential property, currently owned by Landowner within the Property permitted by present or future State law, rulings, regulations and court decisions if the proceeds of such assessment or requirement will be used to finance or fund any school facilities.

- (d) The foregoing provisions of this Section 3.1 shall terminate upon issuance of the initial building permit for the last of the 155 Dwelling Units on the Property.
- 3.2 <u>School District Acknowledgement</u>. School District acknowledges that performance of the terms of this F/A Agreement will make adequate provision for school facilities needed to house the Project Students. School District authorizes the Deputy Superintendent, Business and Support Services, or designee, to execute letters or other written materials as requested by Landowner (subject to reasonable School District approval), describing this F/A Agreement and stating that performance of this F/A Agreement will make adequate provision for school facilities for the Project Students from the herein described development of the Property.
- 3.3 <u>F/A Agreement Unaffected By Changes in Law.</u> School District, CFD No. 2005-1, WHLLC, and Landowner agree that each Party has negotiated in good faith to reach accord on this F/A Agreement, and as such, the F/A Agreement is a legally binding contract among the Parties, enforceable in accordance with its terms. Landowner, CFD No. 2005-1, Prior Owner and School District agree that to the maximum extent permitted by law; this F/A Agreement shall not be affected, modified, or annulled by any subsequent change in local, state or federal law.
- Agreement. The Prior Mitigation Agreements and Effectiveness of F/A Agreement. The Prior Mitigation Agreements shall be terminated and this F/A Agreement shall become effective upon completion of the S/T Revision Proceedings ("Effective Date"). Completion of the S/T Revision Proceedings shall be deemed to have occurred only upon the occurrence of all of the following: (i) completion of the S/T Revision Proceedings of the Board of Trustees of the School District, including the authorization for the levy and collection by CFD No. 2005-1 of the Special Taxes in accordance with the First Amended RMA which shall be conditioned on the subsequent termination of the WHCFD Note as provided in Section 8.5 below; (ii) the approval by the qualified electors of CFD No. 2005-1 of the levy of the Special Taxes as provided for in the First Amended RMA; (iii) the expiration of the limitation periods provided in Section 53359 of the Government Code, with no litigation pending in regard thereto; (iv) Landowner's execution and delivery of all documents legally required by School District for completion of the S/T Revision Proceedings; and (v) cancellation and return of the WHCFD Note as provided in Section 8.5 below.

Section 4.0 State Funds.

- 4.1 <u>Pursuit of State Funds</u>. School District reserves the right, but not the obligation, to pursue legally available State funding in connection with the School Facilities.
- 4.2 <u>Application of State Funds</u>. School District may apply State funding received by it to the acquisition and/or the construction of any School District improvements permitted by law. Neither the receipt nor the application of any State funding by School District shall alter in any way, or exonerate, Landowner's obligations under this F/A Agreement, in whole or in part.

Section 5.0 **Certificates of Compliance.**

Issuance of Certificates of Compliance. At Landowner's request, the 5.1 School District shall issue Certificates of Compliance for each of the 155 Dwelling Units to be constructed within the Property.

Section 6. **Statutory School Fees.**

6.1 Commercial/Industrial and Senior Dwelling Unit Development. Any "Commercial/Industrial" or "Senior Dwelling Unit" development within the Property is, and shall be, subject to the Special Taxes of CFD No. 2005-1, as provided in the First Amended RMA and shall not pay the then applicable statutory fees per square foot pursuant to applicable law. Senior Dwelling Unit development shall comply with Government Code Section 65995.1.

Section 7.0 Funds Advance by WHLLC, by Landowner, and Reimbursement of **CFD No. 2005-1 Costs.**

7.1 WHLLC, subject to reimbursement from proceeds of Bonds of CFD No. 2005-1, deposited with School District the sum of \$100,000 pursuant to the Prior Mitigation Agreements, which agreements have been assigned by WHLLC to Landowner. CFD No. 2005-1 has incurred and will continue to incur costs in regard to the S/T Revision Proceedings and this F/A Agreement ("CFD No. 2005-1 S/T Revision Costs"). As a result, CFD No. 2005-1 shall be reimbursed such actual CFD No. 2005-1 S/T Revision Costs, up to \$150,000, from the proceeds of Bonds, as provided in Section 8.2 (e)(ii)(B) below.

Section 8.0 **Community Facilities District No. 2005-1.**

8.1 Use of Special Tax Proceeds.

- Prior to the issuance of the First Series of Bonds (described below), CFD No. 2005-1 shall levy Special Taxes on all Assessor's Parcels classified as Developed Property at 100% of the Assigned Special Tax amount pursuant to the First Amended RMA and the first priority for use of such Special Taxes shall be for the "Priority Administrative Expense Requirement" of \$50,000 per year, escalated by 2% per year as herein provided, to be used for actual costs of administering CFD No. 2005-1, as reasonably determined by School District. All Special Taxes remaining after funding such first priority shall be deposited in a designated, interest-earning special fund ("Special Fund") and, subject to assignment, cancellation, and return of the WHCFD Note as provided in Section 8.5 below, 60% of the Special Taxes deposited in the Special Fund shall be applied to make Incremental Payments to Landowner in accordance with Section 8.5 below until the Incremental Payment Obligation has been paid in full, at which point 60% of such funds may be used by School District for School Facilities, as permitted by applicable law. The remaining 40% of the Special Taxes deposited in the Special Fund shall be disbursed for City Facilities in accordance with the F/A JCFA.
- Following the issuance of the First Series of Bonds (defined below), School District shall continue to levy Special Taxes on all Assessor's Parcels classified as Developed Property at 100% of the Assigned Special Tax amount pursuant to the First Amended RMA and shall levy Special Taxes on all Assessor's Parcels classified as Undeveloped Property

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in the remaining amount then required to satisfy the Special Tax Requirement (as defined in the First Amended RMA. Each fiscal year, the first priority for use of such Special Taxes shall be for payment of an amount up to the Priority Administrative Expense Requirement, as hereinabove provided, in order to fund School District's actual costs of administering CFD No. 2005-1; the second priority shall be for payment of principal and interest on outstanding Bonds and for replenishment, if any, of the reserve fund established pursuant to the Indenture to the applicable "Reserve Fund Requirement" (as defined in the Indenture); and the third priority shall be for the payment of actual costs of administering CFD No. 2005-1 in excess of the Priority Administrative Expense Requirement. Following the issuance of the First Series of Bonds and prior to the first fiscal year following issuance of the Second Series of Bonds all Special Taxes remaining after funding such first, second, and third priorities shall be deposited in the Special Fund and 60% of such Special Taxes shall be disbursed to make Incremental Payments to Landowner in accordance with Section 8.5 below until the Incremental Payment Obligation has been paid in full, at which point 60% of such Special Taxes may be used by School District for School Facilities, as permitted by applicable law. The remaining 40% of the Special Taxes deposited in the Special Fund shall be disbursed for City Facilities in accordance with the F/A JCFA.

(c) From and after the first fiscal year following the issuance of the Second Series of Bonds all Special Taxes remaining after funding the first, second and third priorities described in Section 8.1(b) above shall be deposited in the Special Fund and disbursed to make Incremental Payments to Landowner in accordance with Section 8.5 below until the Incremental Payment Obligation has been paid in full, at which point such Special Taxes may be used by School District for School Facilities, as permitted by applicable law.

8.2 Issuance of Bonds and Allocation of Bond Proceeds.

Landowner may provide written notice ("L/O Notice") to School District (a) and CFD No. 2005-1 of the date on which the 70th Dwelling Unit constructed within the Property is expected to close escrow to an individual, third-party owner. Following its receipt of such L/O Notice, and subject to the provisions of Sections 8.2 (c) and (d) below, CFD No. 2005-1 shall take all action necessary to offer for sale, sell, and upon such sale, issue a "First Series" of Bonds, as provided for in this F/A Agreement, by no later than the last to occur of (i) 180 days following School District's and CFD No. 2005-1's receipt of the L/O Notice and (ii) 90 days following the actual close of escrow for the 70th Dwelling Unit to a third-party owner. The L/O Notice shall include a deposit for non-contingent costs of sale of the First Series of Bonds in the amount of up to \$75,000, as reasonably determined by CFD No. 2005-1, the expended portion of which shall be reimbursed, without interest, from the proceeds of the First Series of Bonds. The unexpended portion of such deposit shall be returned to Landowner, without interest, upon issuance of the First Series of Bonds. The amount of the First Series of Bonds shall be based only on the projected maximum Assigned Special Taxes for those 70 Dwelling Units that have closed escrow to individual third-party owners, and will not include "Undeveloped Property." However, the Special Taxes as to the Undeveloped Property shall be available, if necessary, for interest and principal on the First Series of Bonds and administrative expenses of CFD No. 2005-1 to the extent permitted in the First Amended RMA. The Assigned Special Taxes for the 70 Dwelling Units shall provide 110% debt service coverage on the First Series of Bonds plus the Priority Administrative Expense Requirement.

Landowner may provide a L/O Notice to School District and CFD No. 2005-1 of the date on which the 140th Dwelling Unit constructed within the Property is expected to close escrow to an individual, third-party owner. Following its receipt of such L/O Notice, and subject to the provisions of Sections 8.2 (c) and (d) below, CFD No. 2005-1 shall take all actions necessary to offer for sale, sell, and upon such sale, issue a "Second Series" of Bonds, as provided for in this F/A Agreement, by no later than the later to occur of (i) 180 days following School District's and CFD No. 2005-1's receipt of the L/O Notice, and (ii) 90 days following the actual close of escrow for the 140th Dwelling Unit. The L/O Notice as to the Second Series of Bonds shall include a deposit for non-contingent costs of sale of the Bonds in the amount of up to \$75,000, as reasonably determined by School District, the expended portion of which shall be reimbursed, without interest, from proceeds of the Second Series of Bonds. The unexpended portion of such deposit shall be returned to Landowner, without interest, upon issuance of the Second Series of Bonds. Subject to the provisions of the following paragraphs of this Section 8.2(b), the amount of the Second Series of Bonds shall be based on (i) 100% of the projected Assigned Special Taxes for all 140 Dwelling Units sold and closed to third-party owners, plus (ii) 100% of the projected Assigned Special Taxes for the Custom Lots equaling 110% of annual debt service on the First and Second Series of Bonds, plus the Priority Administrative Expense Requirement.

In the event all or a portion of the Custom Lots have not been sold to individual third-party owners, and the Underwriter advises CFD No. 2005-1 that inclusion of the unsold Custom Lots would increase the average interest rate on the Second Series of Bonds above 8.00%, on the basis of a 30-year amortization, then the proceeds of the Bonds associated with the unsold Custom Lots shall be escrowed to the extent, and for the maximum period of time, permitted by applicable law. If, notwithstanding the escrow of proceeds, the Underwriter still advises CFD No. 2005-1 that inclusion of the unsold Custom Lots on the basis of the abovedescribed escrow will result in an average interest rate on the Second Series of Bonds exceeding 8.00%, the assigned Special Taxes as to any unsold Custom Lots shall not be included in the Second Series of Bonds unless mitigation is agreed to by CFD No. 2005-1 and provided as set forth in Section 8.2(d) below. If a portion of the proceeds of the Second Series of Bonds are held in escrow, an equal, proportionate amount of the escrow funds will be released as each unsold Custom Lot is conveyed to a third-party owner. If the escrow fund is closed pursuant to the applicable Indenture before all Custom Lots have been conveyed to third-party owners and all funds have been released from escrow, or if some unsold Custom Lots are not included in the Second Series of Bonds at the time of issuance of the Second Series of Bonds, each fiscal year thereafter CFD No. 2005-1 shall determine the amount of Assigned Special Taxes collected from such Custom Lots and such amount shall be allocated and disbursed as follows: (i) 60% of such amount shall be deposited in the School Facilities Account and, of that amount, 100% shall be deposited in the Incremental Payment Subaccount until the Incremental Payment Obligation has been paid in full, at which time 100% shall be deposited in the Project Subaccount; and (ii) 40% shall be deposited in the City Facilities Account until the City Facilities Account has been closed in accordance with Section 8.4 below, at which time such amount shall be deposited in the School Facilities Account and allocated among the Subaccounts in accordance with (i) above.

(c) The time periods referred to in Section 8.2(a) and (b) may be extended by CFD No. 2005-1 if, despite CFD No. 2005-1's best efforts, Bonds are not able to be issued due to circumstances beyond CFD No. 2005-1's control. Such time periods, however, shall only be

extended by CFD No. 2005-1 for such period of time as is reasonably necessary, with CFD No. 2005-1's continued best efforts, to address such circumstances so that the Bonds can be issued at the earliest possible time following expiration of the applicable time period.

- (d) Landowner shall not be required to provide any form of credit enhancement in connection with the issuance of either the First Series of Bonds or the Second Series of Bonds. Unless mitigated in accordance with the provisions of this Section 8.2(d), the following shall be conditions to the issuance and sale of the First Series of Bonds and Second Series of Bonds:
- (i) the Underwriter shall reasonably determine within 30 days following the L/O Notice that the average interest rate on the Bonds is not expected to exceed 8% the basis of a 30-year amortization;
- (ii) on the date of pricing of the Bonds the actual average interest rate on the Bonds does not exceed 8% on the basis of a 30-year amortization;
- (iii) the uncured Special Tax delinquencies for the current fiscal year and the prior fiscal year do not exceed 5% of the total Special Taxes levied in such years; and
- (iv) there have been no uncured property tax delinquencies as to Undeveloped Property in such years.

In the event that any of such conditions cannot be satisfied with respect to the First Series of Bonds or Second Series of Bonds, Landowner may propose to CFD No. 2005-1, and CFD No. 2005-1, in its reasonable discretion, may accept measures to mitigate the particular condition(s) that has/have not been satisfied, which measures may include, without limitation, (i) providing for greater than 110% debt service coverage, (ii) funding a delinquency management fund with available Special Taxes, (iii) providing some form of credit enhancement, or (iv) Landowner or a related entity purchasing some amount of parity or subordinate Bonds, so long as such measures proposed by Landowner and accepted by CFD No. 2005-1 result in the same economic result to the School District and CFD No. 2005-1 as if the applicable conditions had been satisfied with respect to the Bonds.

The Parties acknowledge that the Settlement Agreement provides for retained jurisdiction as to the performance by the Parties of the Settlement Agreement and the F/A Agreement, including sale and issuance of the Bonds as herein provided.

- (e) The proceeds of the First Series of Bonds and Second Series of Bonds shall be allocated according to the priority specified in (i)-(iv) below:
- (i) First, to fund all costs of issuance including the "Reserve Fund" for the Bonds, capitalized interest for the period required to collect sufficient Special Taxes through the annual levy of applicable Special Taxes, Underwriter's discount, bond counsel fees, disclosure counsel fees, appraiser and market absorption consultant fees, reasonable CFD No. 2005-1 staff and CFD No. 2005-1 legal counsel costs, and Special Tax Consultant fees;

- (ii) Second (with respect to the First Series of Bonds only), to fund the following amounts:
- (A) \$100,000 to be paid to Landowner reimbursement of advances by Prior Owner pursuant to the Prior Mitigation Agreements which funds were used by School District's to fund costs of formation of CFD No. 2005-1 and preparation of the Prior Mitigation Agreements.
- Up to \$150,000 to fund the reimbursement to (B) CFD No. 2005-1 of the actual CFD No. 2005-1 S/T Revision Costs as provided in Section 3.4 of this F/A Agreement, including any costs relating to the F/A JCFA, \$15,000 to reimburse Landowner for its deposit with CFD No. 2005-1 relating to the S/T Revision Proceedings, up to \$75,000 to reimburse Landowner for the expended portion of the deposit made by Landowner pursuant to Section 8.2(a) above relating to the First Series of Bonds, and up to \$150,000 to reimburse Landowner for its actual legal, engineering and financial consultant costs relating to the S/T Revision Proceedings, preparation of this F/A Agreement, including \$5,000 for accomplishment of the F/A JCFA, and issuance of the First Series of Bonds;
- (iii) Third (with respect to the Second Series of Bonds only), to fund an amount to be paid to Landowner equal to the expended portion of the deposit made by Landowner pursuant to Section 8.2(b) above relating to the Second Series of Bonds; and
- Fourth, (A) (with respect to the First Series of Bonds), 60% (iv) of the proceeds of the Bonds remaining after funding (i) and (ii) with respect to the First Series of Bonds, plus an amount equal to the amount of Special Taxes deposited in the Special Fund that had been disbursed for City Facilities prior to the issuance of such Bonds, shall be deposited in a "School Facilities Account" and the remaining amount shall be deposited in a "City Facilities Account", and (B) (with respect to the Second Series of Bonds), 60% of the proceeds of the Bonds remaining after funding (i) and (iii) above with respect to the Second Series of Bonds, plus an amount equal to the amount of Special Taxes deposited in the Special Fund following the issuance of the First Series of Bonds that had been disbursed for City Facilities prior to the issuance of the Second Series of Bonds, shall be deposited in the School Facilities Account and the remaining amount shall be deposited in the City Facilities Account.
- By way of example only, set forth on Exhibit "D" are assumed sizings of (f) Bonds for a First Series of Bonds and a Second Series of Bonds, and the allocation of the proceeds of such Bonds in accordance with Section 8.2(e) above, prepared by David Taussig and Associates ("Special Tax Consultant to CFD No. 2005-1"), based on an assumed average interest rate of 6.00% and 8.00%, respectively.
- Deposit of Bond Proceeds. The "School Facilities Account" shall include 8.3 two subaccounts designated in the Indenture as the "Project Subaccount" and the "Incremental Payment Subaccount." Of the amount of net proceeds of the Bonds deposited in the School Facilities Account pursuant to Section 8.2(e)(iv) above, 100% shall be deposited in the Incremental Payment Subaccount until the Incremental Payment Obligation has been fully satisfied. Once the Incremental Payment Obligation has been fully satisfied, 100% of the amount of the net proceeds deposited in the School Facilities Account pursuant to Section 8.2(e)

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- (iv) shall be deposited in the Project Subaccount. The Indenture shall provide that investment earnings on funds in each subaccount of the School Facilities Account and in the City Facilities Account shall remain in such respective accounts and be available to fund School Facilities, Incremental Payments and City Facilities, respectively, until the City Facilities have been funded to the extent of such deposits in the City Facilities Account and the Incremental Payment Obligation has been satisfied as herein provided. The Indenture shall also provide that earnings of the funds in the Reserve Fund established pursuant to the Indenture in excess of the applicable reserve requirement shall be applied to pay debt service on the Bonds.
- Disbursements from School Facilities Account and City Facilities 8.4 Account. Funds may be disbursed from the Project Subaccount by CFD No. 2005-1 to fund School Facilities, as described on Exhibit "E," consistent with applicable law as reasonably determined by School District. Funds shall be disbursed from the Incremental Payment Subaccount to make Incremental Payments in accordance with Section 8.5 below. Upon payment of the Incremental Payment Obligation in full, any funds remaining in the Incremental Payment Subaccount shall be transferred to the Project Subaccount. Funds from the City Facilities Subaccount shall be disbursed from the City Facilities Account to fund City Facilities in accordance with this F/A Agreement, as provided in Section 8.6 below. When all City Facilities have been funded, as provided in Section 8.6 below, or Landowner has advised School District it will not request the further funding of City Facilities, the City Facilities Account shall be closed and that amount remaining in the City Facilities Account that is no longer required to fund City Facilities shall be transferred to the Incremental Payment Subaccount. When the Incremental Payment Obligation is fully satisfied, all funds remaining in the Incremental Payment Subaccount shall be transferred to the Project Subaccount of the School Facilities Account to be used by School District in accordance with applicable law.
- 8.5 <u>Incremental Payment Obligation.</u> WHLLC agrees that within ten (10) days following the Effective Date it shall transfer the WHCFD Note to Landowner and Landowner agrees it shall, in turn, cancel and return the WHCFD Note to CFD No. 2005-1 and accept in its place Incremental Payments from CFD No. 2005-1 of Special Taxes deposited in the Special Fund and the proceeds of Bonds deposited in the Incremental Payment Subaccount, as provided for in this F/A Agreement. The total amount of Incremental Payments ("Incremental Payment Obligation") shall equal (i) a principal amount of \$6,000,000, and (ii) if applicable, payments of interest on the outstanding principal amount calculated at the Default Rate (defined below).

Incremental Payments shall be made on each of the following dates (each, a "Payment Date") from and in the amount of all funds on deposit in the Incremental Payment Subaccount and the Special Fund, respectively: (i) from the Incremental Payment Subaccount within ten (10) business days following each deposit of proceeds of Bonds in, or transfer of proceeds of Bonds to, the Incremental Payment Subaccount and (ii) from the Special Fund on the first business day on or following each March 1 and September 1 until the First Series of Bonds have been issued and thereafter on the first business day on or following each January 1 and July 1 following the expiration of the "Bond Year" as defined in the Indenture. Each Incremental Payment shall be applied first against accrued Default Rate interest (if any) and then against the outstanding principal balance.

If CFD No. 2005-1 (i) fails to deposit funds in the Special Fund or Incremental Payment Subaccount, (ii) improperly disburses funds from the Special Fund or Incremental Payment Subaccount, (iii) fails to make an Incremental Payment on a Payment Date, or (iv) fails to take an action necessary to offer for sale, sell, or issue Bonds pursuant to the terms of this F/A Agreement, including not by way of limitation Section 8.2 (each a "Default"), the interest rate to be used to calculate the Incremental Payment Obligation shall be ten percent (10%) per annum ("Default Rate") calculated and payable from the date of the Default until the Default has been cured by CFD No. 2005-1. No Default Rate shall be applicable, unless Landowner gives ten (10) days prior written notice and CFD No 2005-1 fails to remedy any asserted Default within forty-five (45) days after receiving such notice from Landowner, or disputes such asserted Default and has initiated mediation thereof, pursuant to Section 11.17 hereof. During the period of such mediation, not to exceed sixty (60) days, unless extended by the designated mediator, in their discretion, the running of such forty-five (45) day period described above shall be tolled. Nothing herein is intended to limit the remedies available to any Party hereto for a breach of this F/A Agreement. The Default Rate shall not be applicable to payments required by or pursuant to the F/A JCFA.

- Disbursement From City Facilities Account. 8.6 The extent of School Facilities and City Facilities that may be funded from the proceeds of the Bonds is dependent on the interest rates at which the Bonds are sold and issued, as exemplified in Exhibit "D." Exhibit "D" assumes in the alternative average applicable interest rates of 6.00% and 8.00%. Funds shall be disbursed from the City Facilities Account in accordance with the F/A JCFA and applicable law, including federal tax law pertaining to use of proceeds of tax-exempt bonds.
- 8.7 First Amended Rate and Method of Apportionment; Notice to Homeowners. Landowner acknowledges that CFD No. 2005-1 intends to, and agrees that CFD No. 2005-1 is authorized by law and this F/A Agreement, and the First Amended RMA provides for the levy of Special Taxes on Developed Property at the assigned Special Tax amount, and on Undeveloped Property as provided in the First Amended RMA, and CFD No. 2005-1 shall apply any proceeds of such levy as provided in Section 8.1 above. Landowner agrees to provide written notice of the Special Tax to all purchasers of Dwelling Units and Undeveloped Property in CFD No. 2005-1 substantially in the form required pursuant to the Act.
- 8.8 Landowner Cooperation. Landowner cooperate CFD No. 2005-1 in the completion of the S/T Revision Proceedings and the issuance of the Bonds, as provided for herein, including, without limitation, providing full, complete, and accurate information regarding the then existing development and anticipated future development of the Property in a timely manner to the appraiser, market absorption consultant, special tax consultant, bond counsel, disclosure counsel and Underwriter. Landowner shall provide information to CFD No. 2005-1 and the School District regarding its operations and financial condition to the extent such information is reasonably required for inclusion in the preliminary official statement and the final official statement for the First Series of Bonds and Second Series of Bonds.
- 8.9 Bond Refinance. Landowner and WHLLC hereby agree that, once the First Series of Bonds or the First and Second Series of Bonds have been issued, the

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CFD No. 2005-1 has the authority to refinance such Bonds in the future and utilize any funds made available to it from such refinancing in accordance with Section 8.3 above, and Landowner agrees to reasonably cooperate as needed in furtherance of such refinancing, to the extent it is still a property owner within CFD No. 2005-1, and provided such refinancing does not result in any cost to Landowner or an increase in the levy of Special Taxes on Undeveloped Property or extend the term in which Special Taxes will be levied on Undeveloped Property from the levy amount and term applicable prior to such refinancing. Notwithstanding the foregoing, in cooperating with the CFD No. 2005-1, Landowner shall not be required to solicit any cooperation from, or otherwise involve in any way, any current or potential homeowner within the Project.

8.10 Other Special Taxes or Assessments. Landowner agrees not to petition for or consent to the authorization or levy of any special taxes or assessments on the Property other than as provided herein, which will cause the sum of real property taxes, special taxes and assessments to exceed two percent (2%) of the Base Sales Price of any Dwelling Unit.

Section 9.0 Representations, Warranties and Covenants of School District.

- 9.1 School District and CFD No. 2005-1 represent and warrant to, and covenant with the Landowner that:
- (a) School District is a school district of the State, and CFD No. 2005-1 is a community facilities district of School District, each is organized and operating pursuant to the Constitution and laws of the State and each has all necessary power and authority to enter into and perform their duties under this F/A Agreement and, when executed and delivered by the respective Parties hereto, this F/A Agreement will constitute the legal, valid and binding obligation of School District and CFD No. 2005-1 enforceable in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by limitations on remedies against public agencies in the State.
- (b) The execution and delivery by School District and CFD No. 2005-1 of this F/A Agreement and compliance by School District and CFD No. 2005-1 with the provisions hereof, will not conflict with, or constitute a violation of or default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution applicable to School District, or CFD No. 2005-1 and will not conflict with or result in a violation or breach of, or constitute a default under, any contract, agreement, indenture, mortgage, lease or other instrument to which School District or CFD No. 2005-1 are subject or by which they are bound.
- (c) To the best knowledge of School District and CFD No. 2005-1 there are no actions, suits or proceedings of any court or governmental agency or body pending or threatened against School District or CFD No. 2005-1, in any way contesting or effecting the validity of this F/A Agreement or contesting the powers of School District or CFD No. 2005-1 to enter into or perform their obligations under this F/A Agreement or in which a final adverse decision could materially adversely affect the operations of School District or CFD No. 2005-1, or the consummation of the transactions contemplated by this F/A Agreement.

- (d) Neither School District nor CFD No. 2005-1 is in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which School District or CFD No. 2005-1 is a party or is otherwise subject, which breach or default would materially adversely affect School District's ability or the ability of CFD No. 2005-1 to enter into or perform its obligations under this F/A Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect School District's ability or the ability of CFD No. 2005-1 to enter into or perform its obligations under this F/A Agreement.
- (e) CFD No. 2005-1 shall assume the defense of, indemnify and save harmless, Landowner, its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, the negligence or willful misconduct on the part of CFD No. 2005-1, their respective officers, employees and agents, in connection with this F/A Agreement and the issuance of the Bonds. Notwithstanding the foregoing, School District and CFD No. 2005-1 shall have no obligation to defend, indemnify or hold harmless Landowner, its officers, directors, employees and agents, from and against any claims, liabilities, losses or damages (including court costs and attorneys' fees) which result from or arise out of the active negligence or willful misconduct of Landowner, its officer, directors, employees, or agents.
- (f) School District shall not oppose on the grounds of inadequate school facilities any application by Landowner, or Landowner's successors or assigns, to obtain land use entitlements for, and to proceed with the development of, approximately four acres of land owned by Landowner that adjoins the property and is located at the corner of La Pata Avenue and Via Montana.

Section 10.0 Representations, Warranties and Covenants of the Landowner.

- 10.1 Landowner and WHLLC represent and warrant to, and covenant with, the School District and CFD No. 2005-1 that:
- (a) Landowner and WHLLC each is a limited liability company, organized and existing pursuant to the laws of Delaware, and each has all necessary power and authority to enter into and perform their duties under this F/A Agreement and, when executed and delivered by the respective Parties hereto, this F/A Agreement will constitute the legal, valid and binding obligation of Landowner and WHLLC enforceable in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and that the information, as applicable, set forth in Recitals A through N are correct as to assignments to and assumptions by WHLLC and Landowner as therein described.
- (b) To the best knowledge of the undersigned officers of the Landowner and WHLLC, based upon due inquiry, the execution and delivery by Landowner and WHLLC of this F/A Agreement and compliance by Landowner and WHLLC with the provisions hereof, will not

conflict with, or constitute a violation of or default under, the Constitution or laws of the State, or any existing law, charter, ordinance, regulation, decree, order or resolution applicable to the Landowner and WHLLC, and will not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which Landowner or WHLLC is subject or bound.

- (c) To the best knowledge of the undersigned officers of the Landowner and WHLLC, based upon due inquiry, there is no action, suit or proceeding of any court or governmental agency or body pending (with service of process on the Landowner or WHLLC having been accomplished) or threatened against Landowner or WHLLC in any way contesting or effecting the validity of this F/A Agreement or contesting the powers of Landowner or WHLLC to enter into or perform the obligations under this F/A Agreement or in which a final adverse decision could materially adversely affect the operations of Landowner or WHLLC, its anticipated development of the Property or the consummation of the transactions contemplated by this F/A Agreement.
- (d) To the best knowledge of the undersigned officers of the Landowner and WHLLC, based upon due inquiry, neither Landowner nor WHLLC is in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which Landowner or WHLLC is a party or is otherwise subject, which breach or default would materially adversely affect Landowner's or WHLLC's ability to enter into or perform the obligations under this F/A Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect Landowner's or WHLLC's ability to enter into or perform its obligations under this F/A Agreement.
- (e) Neither Landowner nor WHLLC shall sue School District or CFD No. 2005-1, or join in any lawsuit or actively participate in any lawsuit against School District or CFD No. 2005-1 regarding the validity of the formation of CFD No. 2005-1, the authorization of the Special Taxes, the incurring of bonded indebtedness of CFD No. 2005-1, the S/T Revision Proceedings, or the use of any proceeds of the Special Taxes or the Bonds to the extent that such proceeds are applied in accordance with this F/A Agreement. The foregoing covenant shall not prevent the Landowner or WHLLC from bringing any action, suit or proceeding to enforce the agreements of the School District or CFD No. 2005-1, including, without limitation, an action or suit contending that the Special Taxes have not been levied in accordance with the rates and methodologies contained in the First Amended RMA or an action to enforce the obligations of the School District or CFD No. 2005-1 under any resolution, indenture, agreement, or contract with the School District and/or CFD No. 2005-1 for which Landowner is a party or beneficiary.
- (f) Landowner, on behalf of itself and its successors and assigns, agrees to fully and promptly cooperate with School District and CFD No. 2005-1 in complying with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") in connection with the issuance and sale of each series of Bonds so long as Landowner, or its successors or assigns, is an "obligated person" under Rule 15c2-12.

- (g) The Parties recognize that California SB 165, Chapter 535 of the Statues of 2000, became effective on January 1, 2001. SB 165 provides new disclosure and reporting requirements for a local bond measure that is the subject of voter approval and which would provide for the sale of bonds by a local agency. Landowner on behalf of itself and its successors and assigns, agrees to fully and completely cooperate with the School District and CFD No. 2005-1 in meeting the applicable requirements of SB 165.
- (h) Landowner agrees to, in connection with the issuance of Bonds, certify as of the date on the preliminary official statement and the final official statement, respectively, that all of the information provided by Landowner that is included in the preliminary official statement and final official statement with respect to the Landowner and its affiliates (as defined in the Bond issuance documents) regarding the proposed development of the Property, ownership of the Property, the Landowner's development plan, the Landowner's financing plan, the Landowner's lenders (if any), and the Landowner's contractual arrangements (excluding therefrom any information regarding the appraised valuation of the Property, statements pertaining to the appraisal, and information which is identified as having been provided by a source other than Landowner or an affiliate of the Landowner), is true and correct in all material respects and does not contain any untrue statements of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- In addition, solely as to the information provided by Landowner, as indicated (i) in Section 10.1(h) concerning the Landowner, its affiliates and the development of the Property, and subject to the limitations and exclusions set forth in Section 10.1(h), the Landowner agrees to assume the defense of, indemnify and hold harmless, to the extent permitted by law, the School District, CFD No. 2005-1, and their officials and employees, and each person, if any, who controls any of the forgoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities and Exchange Act of 1934, as amended, against any and all losses, claims, damages, or liabilities, joint or several, to which such indemnified Party(ies) may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such indemnified Party for any reasonable legal or other expense incurred by it in connection with investigation any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact with respect to such information or the omission or alleged omission with respect to such information, in the final official statement, in any amendment or supplement to such final official statement which includes information provided by Landowner, and only with respect to such information, or in any semi-annual report or other disclosure statement provided by or on behalf of the Landowner in connection with the Bonds, required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. This indemnity provision shall not be construed as a limitation on any other liability which Landowner may otherwise have to any indemnified Party, provided that in no event shall the Landowner be obligated for double indemnification.

Section 10.2 <u>Landowner Indemnification.</u>

In addition to the requirements of Section 10.1(i), Landowner shall assume the defense of, indemnify and save harmless, the School District, CFD No. 2005-1, their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, the negligence or willful misconduct on the part of the Landowner, its officers, employees and agents, in connection with this F/A Agreement, the issuance of the Bonds, including without limitation, disclosure of information provided by Landowner, its agents, consultants or attorneys in connection therewith, including sale of the herein described Dwelling Units, and the financing, provision, or construction by Landowner, of any of the City Facilities, as well as any claims or costs relating to the failure of Landowner or Prior Owner to comply with the applicable provisions of Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code as to the Project, City Facilities, or related to the herein described Purchase Agreement. Nothing in this Section 10.2 shall limit in any manner the rights of the School District and/or CFD No. 2005-1 against any of the architects, engineers, contractors or other consultants employed by the Landowner which has performed work in connection with construction or financing of the City Facilities. Notwithstanding the foregoing, Landowner shall have no obligation to defend, indemnify or hold harmless the School District, its officers, directors, employees and agents, or CFD No. 2005-1, its officers, directors, employees and agents, from and against any claims, liabilities, losses or damages (including court costs and attorneys' fees) which result from or arise out of the active negligence or willful misconduct of the School District, its officers, directors, employees, or agents, or CFD No. 2005-1, its officers, directors, employees, or agents.

Section 11.0 <u>Miscellaneous.</u>

- agreements contained in this F/A Agreement by or on behalf of, or for the benefit of, either of the Parties hereto, shall bind or inure to the benefit of any of the successors and assigns of the respective Parties; PROVIDED, HOWEVER, (I) THAT INDIVIDUAL PURCHASERS OF UNITS ("HOMEOWNERS") SHALL NOT BE DEEMED TO BE SUCCESSORS OR ASSIGNS OF LANDOWNER FOR PURPOSES OF THIS F/A AGREEMENT, (II) THIS F/A AGREEMENT SHALL NOT RUN WITH THE LAND CONVEYED TO HOMEOWNERS, AND (III) THE HOMEOWNERS SHALL NOT BE BURDENED BY NOR HAVE ANY RIGHT TO ENFORCE ANY PROVISIONS OF THIS F/A AGREEMENT.
- 11.2 <u>Amendment</u>. This F/A Agreement may not be amended except in writing by Landowner, WHLLC, CFD No. 2005-1, and School District, duly executed by their authorized agents.
- 11.3 <u>Severability</u>. If any provision of this F/A Agreement shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.
- 11.4 <u>Entire Agreement</u>. Upon the Effective Date, this F/A Agreement shall supersede and cancel the Prior Mitigation Agreements. Each Party to this F/A Agreement

acknowledges that no representation by any Party which is not embodied herein or in any other agreement, statement, or promise not contained in this F/A Agreement shall be valid and binding. The Parties hereto agree to act in a manner which will not frustrate the purposes of this F/A Agreement.

- 11.5 Attorney Fees. In the event of any action or proceeding brought by one Party against another under this F/A Agreement, the prevailing Party shall entitled to recover its reasonable attorney fees, costs and expenses incurred in such action or proceeding. In addition to the foregoing, the prevailing Party shall be entitled to its reasonable attorneys' fees and costs and expenses incurred in any post-judgment proceeding to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this F/A Agreement into any judgment on this F/A Agreement.
- 11.6 <u>Execution</u>. This F/A 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 agreement.
- 11.7 <u>Notices</u>. All correspondence, notices or certificates required by this F/A Agreement shall be sufficiently given and served if delivered by hand directly to the offices named below or sent by United States first-class mail postage prepaid and addressed as follows:

if to Landowner or WHLLC: Rancho San Juan Development, LLC

27285 Las Ramblas, Suite 230 Mission Viejo, CA 92691

Attention: Todd Cunningham, Manager

Telephone No.: (949) 348-8162

with a copy to: O'Neil LLP

19900 MacArthur Blvd. Irvine, CA 92612-8414 Attention: John Yeager, Esq. Telephone No.: (949) 798-0722 Facsimile No.: (949) 798-0500

with a copy to: IHP Capital Partners

19800 MacArthur Blvd., Suite 700

Irvine, CA 92612

Attention: Jay W. Pruitt, Partner/Senior Vice

President

Telephone No.: (949) 655-7605

with a copy to: Pistone & Wolder LLP

2020 Main Street, Suite 900

Irvine, CA 92614

Attn: Thomas A. Pistone, Esq. Telephone No.: (949) 622-8980

if to School District: Capistrano Unified School District

33122 Valle Road

San Juan Capistrano, CA 92675 Attention: Deputy Superintendent,

Business Support Services Telephone No.: (949) 234-9200 Facsimile No.: (949) 248-8546

with a copy to: Bowie, Arneson, Wiles & Giannone

4920 Campus Drive

Newport Beach, CA 92660 Attention: Alexander Bowie, Esq. Telephone No.: (949) 851-1300 Facsimile No.: (949) 851-2014

if to CFD No. 2005-1: Capistrano Unified School District

33122 Valle Road

San Juan Capistrano, CA 92675 Attention: Deputy Superintendent,

Business Support Services Telephone No.: (949) 234-9200 Facsimile No.: (949) 248-8546

with a copy to: Bowie, Arneson, Wiles & Giannone

4920 Campus Drive

Newport Beach, CA 92660

Attention: Alexander Bowie, Esq. Telephone No.: (949) 851-1300 Facsimile No.: (949) 851-2014

Any Party may change its mailing address at any time by giving written notice of such change to the other Parties in the manner provided herein. All notices under this F/A Agreement shall be deemed given, received, made, or communicated on the date personal delivery is effected or, if by mail, on the delivery date or attempted delivery date shown on the return receipt.

- 11.8 <u>Exhibits</u>. The Exhibits attached hereto are deemed incorporated into this F/A Agreement in their entirety by reference.
- 11.9 <u>Time</u>. Time is of the essence in this F/A Agreement and in each and every term, provision and condition hereof.
- 11.10 <u>Remedies Cumulative</u>. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity. The waiver or failure to enforce any provision of this F/A Agreement shall not operate as a waiver of any future breach of such provision or of any other provision hereof.

- 11.11 <u>Construction</u>. The Parties hereto acknowledge and agree that each has been given the opportunity to review this F/A Agreement with legal counsel independently, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. In the event of an ambiguity in or dispute regarding the interpretation of same, the interpretation of this F/A Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the draftsman; Landowner, WHLLC, CFD No. 2005-1, and School District shall be conclusively deemed to have equally participated in the drafting of this F/A Agreement.
- 11.12 <u>No Representations</u>. Landowner, WHLLC, CFD No. 2005-1, and School District each acknowledge and agree that neither the other Party, nor any agent, representative, or attorney of the other Party, has made any promise, representation or warranty whatsoever, express or implied, not contained herein or in the Exhibits attached hereto to induce such Party to execute this F/A Agreement; and further acknowledge and agree that they have not executed this F/A Agreement in reliance upon any such promise, representation or warranty not contained herein.
- 11.13 <u>Future Cooperation</u>. Landowner, WHLLC, CFD No. 2005-1, and School District shall hereafter execute and deliver, or cause their respective attorneys to execute and deliver, any and all further documents and instruments, furnish any information, and perform any other act reasonably necessary or convenient to effectuate the terms and purposes of this F/A Agreement.
- 11.14 <u>Choice of Law.</u> This F/A Agreement has been negotiated and executed in the State of California and shall be governed and construed by the laws of that state without regard to the conflicts of laws principles.
- 11.15 <u>Captions</u>. The captions, headings, and titles to the various articles and paragraphs of this F/A Agreement are not a part of this F/A Agreement, are for convenience and identification only, and shall have no effect upon the construction or interpretation of any part hereof.
- 11.16 <u>No Third Party Benefit</u>. This F/A Agreement is by and between the Parties named herein, and unless expressly provided in the foregoing provisions no third party shall be benefited hereby. This F/A Agreement may not be enforced by anyone other than a Party hereto or a successor to such Party of the type described in Section 11 who has acquired his/her/its interest in a way permitted by the above provisions.
- 11.17 <u>Mediation Prior to Litigation</u>. It is the intent of the Parties to attempt to resolve any differences arising from this F/A Agreement through mediation prior to the initiation of litigation. In the event of any disagreement over the meaning or application of this F/A Agreement, the Parties shall first attempt to resolve the matter informally. Should that prove unsuccessful, any Party may ask for mediation. A neutral mediator from the State Mediation and Conciliation Service or the Judicial Arbitration and Mediation Service (JAMS) shall be appointed to hear each side in an informal setting, and to render an advisory recommendation. Any costs shall be equally shared by the Parties.

11.18 <u>Authority of Signatories</u>. Each of the individuals signing this F/A Agreement warrants and represents that (a) he or she has full authority to execute this F/A Agreement on behalf of the Party for whom he or she signs, and (b) he or she is acting within the course and scope of that authority in executing this F/A Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this F/A Agreement on the day and year first written.

CAPISTRANO UNIFIED SCHOOL DISTRICT	COMMUNITY FACILITIES DISTRICT NO. 2005-1
By: Name: Title: Deputy Superintendent, Business Support Services	By: Name: Title: Deputy Superintendent, Business Support Services
APPROVED AS TO FORM:	
Bowie, Arneson, Wiles & Giannone	
By: Alexander Bowie, Esq., Special Legal Counsel	_
	RANCHO SAN JUAN DEVELOPMENT, LLC, a Delaware limited liability company
	By: Woodbridge Builders, LLC, a Delaware limited partnership Its: Managing Member
	By: Woodbridge Communities II, LLC, a Delaware limited liability company Its: Manager
	By: Todd Cunningham, Manager
	WHISPERING HILLS, LLC, a Delaware limited liability company
	By: Its:
	By: Its:

STATE OF CALIFORNIA)		
) ss.		
COUNTY OF)		
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I certify under PENALTY the foregoing paragraph is true an		er the laws of the	State of California that
WITNESS my hand and o	official seal.		
		(Seal)	
Notary Public			

STATE OF CALIFORNIA)		
) ss.		
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STATE OF CALIFORNIA)		
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STATE OF CALIFORNIA)		
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I certify under PENALT the foregoing paragraph is true as		inder the laws of t	he State of California that
WITNESS my hand and	official seal.		
		(Seal)	
Notary Public			

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

EXHIBIT A

DESCRIPTION OF PROPERTY

The real property within Community Facilities District No. 2005-1 of the Capistrano Unified School District (Whispering Hills):

Those certain parcels of land situated in the City of San Juan Capistrano, County of Orange, State of California described as follows:

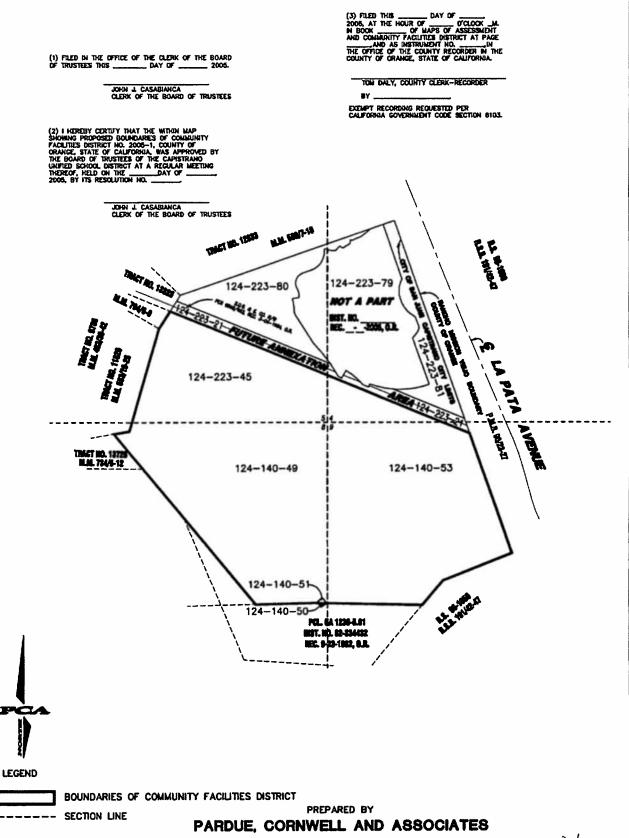
LOTS 1 THROUGH 155, INCLUSIVE AND LETTERED LOTS A THROUGH P, INCLUSIVE, LETTERED LOTS R, S AND U AND THE "REMAINDER PARCEL" OF TRACT NO. 16634, IN THE CITY OF SAN JUAN CAPISTRANO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 884, PAGES 33 THROUGH 50, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

CFD BOUNDARY MAP

PROPOSED BOUNDARY OF COMMUNITY FACILITIES DISTRICT NO. 2005-1 (Whispering Hills) OF THE

CAPISTRANO UNIFIED SCHOOL DISTRICT COUNTY OF ORANGE, STATE OF CALIFORNIA



ANNEXATION MAP NO. 1 TO COMMUNITY FACILITIES DISTRICT NO. 2005-1 (Whispering Hills) OF THE

CAPISTRANO UNIFIED SCHOOL DISTRICT COUNTY OF ORANGE, STATE OF CALIFORNIA

REFERENCE IS HEREBY MADE TO THAT CERTAIN MAP ENTITLED "PROPOSED BOUNDARY OF COMMUNITY FACILITIES DISTRICT NO. 1 (MISPERING HILLS) OF THE CAPISTRAND UNFIELD SCHOOL DISTRICT, COUNTY OF CRANGE, STATE OF CALIFORNIA" FILED THE 38D DAY OF MAY, 2005 AT THE HOUR OF 12:39 O'CLOCK P.M. IN BOOK 90 OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICT AT PAGE 48, AND AS INSTRUMENT NO. 2005000-335757, IN THE OFFICE OF THE COUNTY RECORDED OF THE COUNTY OF GRANCE, STATE OF CALIFORNIA, WHICH THIS ANNEXATION MAP AFFECTS.

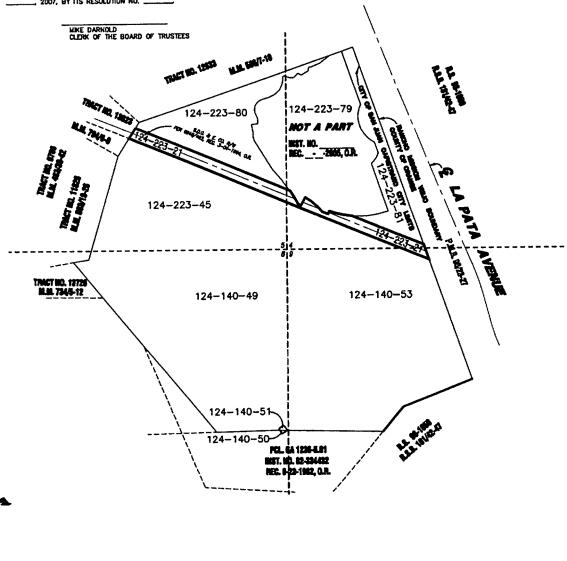
(3) FRED THIS DAY OF 2007, AT THE HOUR OF O'CLOCK M. N BOOK OF MAPS OF ASSESSMENT AND COMMUNITY FACULTIES DISTRICT AT PAGE AND AS INSTRUMENT NO. THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA.

(1) FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF TRUSTEES THIS _______ DAY OF ______ 2007.

TOM DALY, COUNTY CLERK-RECORDER

EXEMPT RECORDING REQUESTED PER CALIFORNIA GOVERNMENT CODE SECTION 8103.

MIKE DARNOLD CLERK OF THE BOARD OF TRUSTEES



LEGEND

BOUNDARIES OF ANNEXATION NO. 1 TO COMMUNITY FACILITIES DISTRICT NO. 2005-1

---- SECTION LINE

PREPARED BY

PARDUE, CORNWELL AND ASSOCIATES

EXHIBIT "C"

FIRST AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 2005-1 OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT (WHISPERING HILLS)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Community Facilities District No. 2005-1 of the Capistrano Unified School District (Whispering Hills) ("CFD No. 2005-1") and collected each Fiscal Year commencing in Fiscal Year 2009-10, in an amount determined by the Board through the application of the appropriate Special Tax for "Developed Property," "Taxable Property Owner Association Property," "Taxable Public Property," "Religious Property," and "Undeveloped Property" as described below. All of the real property in CFD No. 2005-1, 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. 2005-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the School District or designee thereof or both); the costs of collecting the Special Taxes (whether by the School District 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 School District, CFD No. 2005-1 or any designee thereof of complying with arbitrage rebate requirements; the costs to the School District, CFD No. 2005-1 or any designee thereof of complying with disclosure requirements of the School District, CFD No. 2005-1 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 School District, CFD No. 2005-1 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; and the School District's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated by the CFD Administrator or advanced by the School District or CFD No. 2005-1 for any other administrative purposes of CFD No. 2005-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

- "Assessor's Parcel" means a lot or parcel shown in 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 below.
- "Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C below.
- "Board" means the Board of Trustees of the Capistrano Unified School District, acting as the legislative body of CFD No. 2005-1.
- "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. 2005-1 under the Act.
- "CFD Administrator" means an official of the School District, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.
- "CFD No. 2005-1" means Community Facilities District No. 2005-1 of the Capistrano Unified School District (Whispering Hills).
- "County" means the County of Orange.
- "Custom Lot Property" means, for each Fiscal Year, any Assessor's Parcel of Taxable Property (i) for which (a) escrow has closed prior to January 1 of the prior Fiscal Year to an owner other than Rancho San Juan Development LLC or (b) a building permit for new construction was issued prior to January 1 of the prior Fiscal Year; and (ii) that includes one or more of the following lots: lots 141 through 155 of Tract No. 16634 recorded with the County on October 12, 2006. Notwithstanding any future lot line adjustments or consolidations, each of the fifteen lots specified above shall be considered a "lot" for purposes of the levy of the Special Tax.
- "Developed Property" means, for each Fiscal Year, all (i) Custom Lot Property, and (ii) Taxable Property, exclusive of Religious Property, Taxable Property Owner Association Property, or Taxable Public Property, for which a building permit for new construction was issued prior to January 1 of the prior Fiscal Year.
- "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 listed in Table 1.
- "Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel.
- "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 any property within the boundaries of CFD No. 2005-1 that is owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association.
- "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. 2005-1. 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. 2005-1. For Taxable Property Owner Association Property, Taxable Public Property or 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 Property Owner Association Property, Taxable Public Property or Taxable Religious Property in CFD No. 2005-1.
- "Public Property" means any property within the boundaries of CFD No. 2005-1 that is transferred to a public agency on or after the date of formation of CFD No. 2005-1 and is used for rights-of-way or any other purpose and is owned by or dedicated to the federal government, the State of California, the County or any other public agency; 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.
- "Religious Property" means all property within the boundaries of CFD No. 2005-1 which is used primarily as a place of worship and is exempt from ad valorem property taxes because it is owned by a religious organization. Religious Property, without limitation, does not include any Assessor's Parcels used primarily for religious schools, day care centers, or congregate care facilities.

- "Residential Property" means (i) Custom Lot Property, and (ii) 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.
- "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.
- "School District" means the Capistrano Unified School District.
- "Single Family Property" means all Assessor's Parcels of Residential Property for which building permits have been issued for residential units, excluding Custom Lot Property.
- "Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property, Religious Property, Taxable Property Owner Association Property, Taxable Public Property, and Undeveloped Property to fund the Special Tax Requirement.
- "Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 2005-1 to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay reasonable Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for construction of facilities eligible under the Act to the extent that the inclusion of such amount does not increase the Special Tax levy on Undeveloped Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; (vii) less a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.
- "State" means the State of California.
- "Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2005-1 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 Property Owner Association Property, Taxable Public Property, or Taxable Religious Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2005-1 shall be classified as Developed Property, Taxable Public Property, Taxable Property Owner Association Property, Taxable Religious Property, or Undeveloped 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. Residential Property shall be assigned to Land Use Classes 1 through 8, and Non-Residential Property shall be assigned to Land Use Class 9.

The Assigned Special Tax for Residential Property shall be based on whether it is Custom Lot Property or Single Family Property. The Assigned Special Tax for Custom Lot Property shall be based on the number of lots located within the Assessor's Parcel, as determined by the CFD Administrator. The Assigned Special Tax for Single Family Property shall be based on the Residential Floor Area of the dwelling unit(s) located on the Assessor's Parcel, as specified in Table 1 below. The Assigned Special Tax for Non-Residential Property shall be based on 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 shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

b. Assigned Special Tax

The Assigned Special Tax for each Land Use Class for Fiscal Year 2009-10 is shown below in Table 1.

TABLE 1

Assigned Special Taxes for Developed Property For Fiscal Year 2009-10 Community Facilities District No. 2005-1

Land Use Class	Residential Floor Area	Description	Assigned Special Tax
1	NA	Custom Lot Property	\$13,660 per lot
2	>4,600 SF	Residential Property	\$7,999 per unit
3	4,301 –4,600 SF	Residential Property	\$7,725 per unit
4	3,901 –4,300 SF	Residential Property	\$7,460 per unit
5	3,701 –3,900 SF	Residential Property	\$7,083 per unit
6	3,401 –3,700 SF	Residential Property	\$6,707 per unit
7	2,901 –3,400 SF	Residential Property	\$6,647 per unit
8	≤2,900 SF	Residential Property	\$6,023 per unit
9	N/A	Non-Residential Property	\$24,290 per Acre

c. Increase in the Assigned Special Tax

The Assigned Special Taxes in Table 1 shall be applicable for Fiscal Year 2009-10, and shall increase thereafter, commencing on July 1, 2010 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Assigned Special Tax for the previous Fiscal Year.

d. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax levied on an Assessor's Parcel shall be the sum of the Assigned Special Taxes for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains both Residential Property and Non-Residential Property, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by

reference to the site plan approved for such Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

e. <u>Backup Special Tax</u>

(1) Residential Property (Excluding Custom Lot Property)

The Backup Special Tax for Residential Property excluding Custom Lot Property, shall equal \$19,867 per Acre for Fiscal Year 2009-10. The Backup Special Tax shall increase thereafter, commencing on July 1, 2010 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Backup Special Tax for the previous Fiscal Year.

(2) Custom Lot Property

The Backup Special Tax shall not apply to Custom Lot Property.

- 2. Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property
 - a. Maximum Special Tax

The Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property and Taxable Religious Property in CFD No. 2005-1 shall be \$24,290 per Acre for Fiscal Year 2009-10, and shall increase thereafter, commencing on July 1, 2010 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Maximum Special Tax for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2009-10 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:

<u>First:</u> 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;

<u>Second</u>: 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;

<u>Third</u>: 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 whose 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;

<u>Fourth</u>: 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 Property Owner Association Property, Taxable Public Property or Taxable Religious Property at up to the Maximum Special Tax for Taxable Property Owner Association Property, Taxable Public Property or Taxable Religious Property.

Notwithstanding the above, under no circumstances will the Special Tax levied 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 as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2005-1.

E. EXEMPTIONS

No Special Taxes shall be levied on Public Property, Religious Property, and Property Association Property, so long as the Acreage of Taxable Property within CFD No. 2005-1 is at least 61.8 Acres. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner Association Property, Public Property or Religious Property. However, should an Assessor's Parcel no longer be classified as Property Owner Association Property, Public Property or Religious Property, its tax-exempt status will be revoked.

To the extent that the exemption of an Assessor's Parcel of Public Property, Religious Property, or Property Association Property would reduce the Acreage of Taxable Property within CFD No. 2005-1 below 61.8 Acres, such Assessor's Parcel shall be classified as Taxable Public Property, Taxable Religious Property, or Taxable Property Association Property, as applicable, and shall be subject to the levy of the Special Tax and shall be taxed as part of the fourth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property, Taxable Public Property or Taxable Religious Property.

F. REVIEW/APPEAL COMMITTEE

The Board shall establish as part of the proceedings and administration of CFD No. 2005-1 a special three-member Review/Appeal Committee. Any landowner or resident who feels that the amount of the Special Tax levied on their Assessor's Parcel is in error may file a notice with the Review/Appeal Committee appealing the amount of the Special Tax levied on such Assessor's Parcel. The Review/Appeal Committee shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special

Tax and any landowner or resident appeals, as herein specified. The decision of the Review/Appeal Committee shall be final and binding as to all persons.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 2005-1 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.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means either \$17.6 million in 2009 dollars, which shall increase by the Construction Inflation Index on July 1, 2010, 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. 2005-1 under the authorized financing program for CFD No. 2005-1, 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 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 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, if any, that are expected to be available to finance public 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. 2005-1 prior to the date of prepayment.

1. Prepayment in Full

All Assessor's Parcels of Developed Property and Assessor's Parcels of Undeveloped Property for which a building permit has been issued may be prepaid. The Special Tax obligation applicable to such Assessor's Parcel in CFD No. 2005-1 may be fully prepaid and the obligation of the Assessor's Parcel to pay the Special Tax 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 or any other Assessor's Parcel owned by such owner 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 of such Assessor's Parcel. The CFD Administrator will charge a fee to the owner requesting prepayment for providing this figure. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

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

Ron	d	Redemption Amoun	١t
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	plus	Redemption Premium
	plus	Future Facilities Amount
	plus	Defeasance Amount
	plus	Administrative Fees and Expenses
	less	Reserve Fund Credit
	less	Capitalized Interest Credit
Total:	equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

Paragraph No.:

- 1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
- 2. 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.

- 3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Taxes for the entire CFD No. 2005-1 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. 2005-1, excluding any Assessor's Parcels which have been prepaid, and
 - (b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the estimated Backup Special Taxes at buildout of CFD No. 2005-1 using the Backup Special Tax amount for the current Fiscal Year, excluding any Assessor's Parcels which have been prepaid.
- 4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
- 5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
- 6. Compute the current Future Facilities Costs.
- 7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
- 8. 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.
- 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 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").

- 12. Verify the administrative fees and expenses of No. 2005-1, 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 quotient computed pursuant to paragraph 3(a) or 3(b) 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 4, 5, 7, 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 4, 5, 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 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 2005-1.

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 that 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 of such Assessor's Parcel to pay the Special Tax shall cease.

2. Prepayment in Part

The Maximum Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a building permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (P_E - A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

 P_E = the Prepayment Amount calculated according to Section H.1

F = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Maximum Annual Special Tax.

A = the Administration Fees and Expenses from Section H.1

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Special Tax shall notify the CFD Administrator of such owner's intent to partially prepay the Maximum Special Tax and the percentage by which the Maximum 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 Maximum Special Tax for an Assessor's Parcel within 30 days of the request and will charge a fee to the owner requesting prepayment for providing this figure.

With respect to any Assessor's Parcel that is partially prepaid, the School District shall (i) distribute the funds remitted to it according to Paragraph 16 of Section H.1. and (ii) indicate in the records of CFD No. 2005-1 that there has been a partial prepayment of the Maximum Special Tax and that a portion of the Maximum Special Tax equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no full or partial Special Tax prepayment shall be allowed unless the amount of Assigned Special Taxes that may be levied on Taxable Property within CFD No. 2005-1 both prior to and after the proposed prepayment, less expected Administrative Expenses, is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for the period necessary to fully satisfy the Special Tax Requirement, but in no event shall it be levied after Fiscal Year 2049-50.

EXHIBIT "D"

CONCEPTUAL BOND SIZING ILLUSTRATION OF FIRST AND SECOND SERIES OF BONDS

Prepared by David Taussig & Associates

Total

\$5,431,893

Scenario 1:	6.0% Average	Coupon Rate	(Taxspread #52)

	Sale #1 (70 DU/6.0%) Sep 2014	Sale #2 (85 DU/6,0%) Jan 2017
Bond Amount	\$7,160,000	\$12,895,000
Bond Proceeds	\$5,431,893	\$10,231,455
Total Pay-As-You-Go Funds to City through Sale #1	\$108,044	
Total Pay-As-You-Go Funds to City from Sale #1 through Sale #2	\$712,644	

	Sale #1 (70 DU/6,0%) Bond Proceeds split 60/40	Percentage	Pay-As-You-Go to City Through Sale #1 split 60/40	Sale #1 (70 DU/6.0%)
CUSD K-12 School Facilities	\$0	0%	NA	\$0
CUSD Incremental Payment of Purchase Price Re: SIH/HS/Site	\$3,259,136	60%	NA	\$3.367.180
Subtotal to CUSD	\$3,259,136	60%	NA	\$3,367,180
City of San Juan Capistrano Public Facilities & Fees (88% of total allocated to City)	\$1,912,026	35%	(\$95,079)	\$1,816,948
City of San Juan Capistrano Other City Facilities (12% of total allocated to City)	\$260.731	5%	(\$12.965)	\$247.766
Subtotal to City	\$2,172,757	40%	(\$108,044)	\$2,064,713

\$5,431,893

100%

(\$108,044)

	Sale #2 (85 DU/6.0%)		Pay-As-You-Go to City Through Sale #2	Sale #2 (85 DU/6.0%)
	Bond Proceeds split 60/40	Percentage	split 60/40)	Allocated to CUSD and City
CUSD K-12 School Facilities	\$4,209,921	41%	NA	\$4,922,565
CUSD Incremental Payment of Purchase Price Re: SJH/HS/Site	\$1.928.952	19%	NA	\$1,928,952
Subtotal to CUSD	\$6,138,873	60%	NA	\$6,851,517
City of San Juan Capistrano Public Facilities & Fees (88% of total allocated to City)	\$3,601,472	35%	(\$627,127)	\$2,974,345
City of San Juan Capistrano Other City Facilities (12% of total allocated to City)	\$491.110	5%	(\$85.517)	\$405.593
Subtotal to City	\$4,092,582	40%	(\$712,644)	\$3,379,938
Total	\$10,231,455	100%	(\$712,644)	\$10,231,455

SUMMARY OF PROCEEDS	Bond Proceeds	Pay-As-You-Go	Total	Amount per DU (155 DUs)
CUSD Proceeds K-12 School Facilities	\$4,922,565	\$9,532,387	\$14,454,952	\$93,258
CUSD Proceeds for Incremental Payment of Purchase Price Re: SJH/HS/Site	\$5,296,132	\$703.868 j	\$6,000,000	
Subtotal to CUSD	\$10,218,697	\$10,236,255	\$20,454,952	\$131,967
	1			
City of San Juan Capistrano Proceeds Public Facilities & Fees	\$4,791,293	\$722,205	\$5,513,498	\$35,571
City of San Juan Capistrano Proceeds Other City Facilities	\$653,358	\$98.483	\$ 751.841	\$4.851
Subtotal to City	\$5,444,651	\$820,688	\$6,265,339	\$40,422
Total	\$15,663,348	\$11 056 943	\$26,720,291	\$172.389

NPV OF SUMMARY OF PROCEEDS (AT 4% DISCOUNT RATE)	Bond Proceeds	Pay-As-You-Go		Amount per DU (155 DUs)
CUSD Proceeds K-12 School Facilities	\$3,890,374	\$3,982,307	\$7,872,681	\$50,791
CUSD Proceeds for Incremental Payment of Purchase Price Re: SJH/HS/Site	\$4.517.889	\$600,048	\$5.117.937	\$33.019
Subtotal to CUSD	\$8,408,263	\$4,582,355	\$12,990,618	\$83,810
City of San Juan Capistrano Proceeds Public Facilities & Fees <u>City of San Juan Capistrano Proceeds Other City Facilities</u> Subtotal to City	\$3,965,928 \$540.808 \$4,506,736	\$596,448 <u>\$81,334</u> \$677,782	\$4,562,376 <u>\$622,142</u> \$5,184,518	\$4.014 \$33,449
Total	\$12,914,999	\$5,260,137	\$18,175,136	\$117,259

TAX SPREAD: \$2 © DAVID TAUSSIG AND ASSOCIATES, INC. 04-Apr-11 01:29 PM

PROPOSED SPECIAL TAXES AND BONDED INDEBIEDNESS
COMMUNITY FACILITIES DISTRICT NO. 2005-1 (WHISPERING HILLS)
CAPISTRANO UNIFIED SCHOOL DISTRICT
(2.0% Increasing Debt Service and Special Taxes)
Bond Proceeds and Pay-As-You-Go split 60/40 to CUSD and City. Fund incremental Payment of Purchase Price re: SJHRIS/Site first up to 56 million.
City receives 40% of bond proceeds less amount received through pay-as-you-go. Assumes average coupon of 6.00%

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LAND USE ASSUMPTIONS		AVERAGE COMPON	6.00%	9.00.0	3 2	BASE PROPERTY TAX RATE	1,00000%
	•	BOND TERM (YEARS)	8	Я	a	SAN JUAN CAPISTRANO CITY GO BONDS	0.03697%
		COSTS OF ISSUANCE / DISCOUNT	8.49%	5,00%	2	MWD DE8T SERVICE	0.00370%
TOTAL RESIDENTIAL UNITS IN	23	RESERVE FUND	10.00%	10.00%	3	CAPISTRAND UNIFIED SCHOOL DISTRICT SFID NO. 1	0.01105%
	15	CAPITALIZED INTEREST (12 MONTHS)	1,04 k	3,663	3 3	MOSQUITO, FIRE ANT ASSESSMENT	20.00
RESIDENTIAL (> 4,600 SF)	=	***************************************			; <u> </u>	MACHINE CONTROL CONTROL	240.08
RESIDENTIAL (4,301 - 4,600 SF)	2	SCHER FESTAL INCIDENT DATE		2,004			
RESIDENTIAL (3,901 - 4,300 SF)	77	DISCOUNT BATE FOR NPV ANALYSIS		4.00%			
MESULEN [M. (3,701 - 3,900 of)		PROPERTY INFLATION RATE		2.00%			
REBUIEN ML (3,401 - 3,700 or)	2 5	ADMINISTRATION EXPENSE INFLATION RATE		2.00%		SNIMIM DEBT SERVICE COVERAGE	
à	3 \$				jō	GROSS COVERAGE (15T BOND ISSUE AND 70 SOLD UNITS)	110.07%
CLASS & RESIDENTAL (C. 2,900 SF)	2	SPECIAL TAX ASSUMPTIONS IFY 2011-2012)			ð	GROSS COVERAGE (AT BUILDOUT)	110,03%
		DEVELOPED FOLIVALENT DAVELLING LINIT		\$	2	NET DEBT SERVICE COVERAGE	111,40%
	1	NOW DESCRIPTION ACRE		\$21306			
NON-RESIDENTIAL ACREAGE	8	SCHAROLINA MANAGE		275 271			
		CACCAELOTED PACE	020 11102010				
		BACK UP TAX PER RESIDENTIAL ACRE (EXCLUDES CUSTOM LOTS	SION FOIS	121,300			
ACREAGE SUMMARY		CUSTOM LOT BACK UP TAX PER LOT		308,514			
GROSS ACREAGE [1] \$10.20	8		,				
ASSOCIATION AND PUBLIC PROPERTY ACREAGE 250.38	×	* SPECIAL TAX INCREASE PRICA TO BUILDING PERMIT		2.00%			
	2	% SPECIAL TAX INCREASE AFTER BULDING PERMIT	_	200%			
=	8 8	A LEVY OF MAXIMUM TAX		4 001			
ALL OTHER RESIDENTIAL PROPERTY (4) 46.28	228						
		SUMMA	RY OF TAX (SUMMARY OF TAX COMPUTATIONS			
			•		ŧ	ANTER CORCIAL TAX	
	2011	MODECTED SPECIAL IAA	ž s		5 3	AL YEAR 2011-2012	
	MCATACA MA	ETD.	TOTAL ET D FG		SPECIAL TAX	ETR. TOTALETRIS	
SPECIAL TAX CLASS	BASE PRKE 14	SCHOOL BANK LINE LINE	1 0527%		\$13.902	0.7723	
	61 115 000		1.0512%		\$8,605		
CLASS A RESULENTAL (* 4.000 or)	X1 016 000	_	1.0534%		\$7,855		
	000 0003		1.0534%		87,638		
Charles and the Charles of the Charl	2021 020		1.0636%		\$7,105	0.7714% 1.8250%	
	2005,000	%0000'0 0\$	1,0530%		186,94		
	2051 000		1.0537%		\$6.641	_	
	\$601,000	\$0 0,000%	1.0538%		\$6.177	0.7712% 1.8250%	
NOTES:				MAJOR CONCLUSIONS	NS.		
[1] Besed on actual tract map for Tract No. 16634.				\$20,055,000	DEVELOPED RESIDE	DEVELOPED RESIDENTIAL SPECIAL TAXES	\$57,000,844
[2] Besed on current property tex bits.	TOTAL BOWN ENANCED FACE ITES	N.		\$15.063.348	DEVELOPED NON-R	DEVELOPED NOW-RESIDENTIAL SPECIAL TAXES	2
(3) Desert on anomation provided by any Capata Previous #1110.	CHES OTHER FACE ITES			\$4,922,565	UNDEVELOPED SPECIAL TAXES	CIAL TAXES	2
tel Remed on information provided by DPFG 12/15/10.	CUSD (INCREMENTAL PAYMENT	CUSD (INCREMENTAL PAYMENT OF PUNCHASE PRICE RE: SJAMSSTIE)		\$5,296,132	TOTAL SPECIAL TAXES	52	\$57,000,644
[5] ETR based on base unless prices.	CITY OF SAN JUAN CAPISTRAN	city of San Juan Capistrano public facilities and fees		84,791,293			
	CITY OF SAN JUAN CAPISTRAN	O OTHER CITY FACILITIES		2027,020%		STATE OF SELECTION	600 000
					PAY-AS-YOU-GO F	COSU (INCREMENTAL PATRENT OF PORCHASE PROCERE, SOFTWASSILL) PAYAS-YOUGO FUNDS FOR INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SUMMISSITI	
	TOTAL DEBT SERVICE & ADMINISTRATION	TRATION		\$50,496,945	TOTAL		000'000'98
	PAY AS YOU GO FUNDS FOR INC	PAY AS YOU GO FUNDS FOR INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SAMASISTIE	SISTE	\$703,866			
	REMAINING PAY-AS-YOU-GO FUNDS TO CLIST	OS TO CUSO		\$9,512,387			
	PAY-AS-YOU-GO FUNDS FOR CIT	pay as-you go funds for city of san juan capistrang public faculties and fees	FEES	8722,208		TO A STATE OF THE PROPERTY OF	ş
	PAY-AS-YOU-GO FUNDS FOR CIT	pay as-you go funds for city of san juan capistrano other city facilities		204048	NEW OF BANKEVELO	rpy of undeveloped specific lades (118) http://de.day.as.you.ao end increasural daywent of dischase deve de: Suxalscrif	\$600.043
	MISCELLANEOUS REVENUES			(27 Coc ***)	CHIMPHE SC ACK	NY OF PAINMEND DAY AS YOU FOR BINDS TO CHED 1445)	
	TOTAL NET DEUT SEKVICE			****			

Column C	FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS I. CFD. BONDED INDEBIEDNESS.	2011-12	2012-13 2013	2013-14 2014 - SEP 2014	2014-15	2015-16	2016-17 2017 2017	2017-18 2018	2018-19 2018	2019-20 2020	2020-21
	CUSD OTHER FACILITIES INCREMENTAL PAYMENT OF PLIRCHASE PRICE RE: SJHVRSRITE CITY OF SAN JUAN CAPISTRANO	88 8	88 8	\$3,367,179	88 8	88 8	\$4,922,565	88 8	88 8	នន ៖	88 8
	PUBLIC FACILITIES & FEES OTHER CITY FACILITIES	88 8	88 8	\$247,786	3 3 3	3 8 8	\$405,593	88	28	3 8 8	38 3
Classificity Clas	TOTAL PINAMEL PUBLIC FACILITIES TOTAL BONDED INDERTEDNESS	8 8	8 8	\$7,160,000	3 3	8 8	\$12,895,000	3 3	88	3 3	38
Fig.	II. ABSORPTION - BUILDING PERMITS (as of 1/1) 1. UNDEVELOPED PROPERTY		3		ţ	Ş	Š	\$		Ę	8
No. 057	REMAINING UNDEVELOPED ACREAGE DEVELOPED NON-RESIDENTIAL PROPERTY CLIMULATIVE NON-RESIDENTIAL ACREAGE	55.2 0.0	8.44	0.0	0.71	(0:0)	0.0	0.0	(o.0) 0.0	(o.u) 0.0	(n.u)
1	DEVELOPED RESIDENTIAL PROPERTY CLASS 1 CUSTOM HOMES	0	0	0 (0 1	52 ;	5	5 2 ;	52	51	\$1
3 6 115 23 27 </td <td></td> <td>000</td> <td>N & N</td> <td>ილა</td> <td>s 12 e</td> <td>- 8 2</td> <td>E 8 5</td> <td>- 8 z</td> <td>: 8 2</td> <td>: 8 t</td> <td>- 8 2</td>		000	N & N	ილა	s 12 e	- 8 2	E 8 5	- 8 z	: 8 2	: 8 t	- 8 2
1) 60 4	, eo eo	5t 5t	. £2 #1	128	2 2 2	8.2	22	22	8.2
15		7 m	0.4	9 8	24	8 5	용 은	참 유	유 우	8 5	8 5
50 50<	CUMULATIVE RESIDENTIAL UNITS Custom homes based upon land sales, rather than building permits.	27	38	ĸ	E	155	2 51	3 5	155	156	155
\$1 \$2<	III. MELLO-ROOS SPECIAL TAXES. UNDEVELOPED PROPERTY SPECIAL TAXES	ន	8	3	8	8	8	ន	8	8	8
50 50 50 50 50 50 50 504,326 504,426 50 50 517,905 545,659 577,511 5104,607 5106,599 5100,202 5100,202 5100,202 5100,509 5100,609 511,090 50 521,741 530,135 511,276 511,276 511,772 5100,202 5100,202 5100,202 5100,203 510,002 <th< td=""><td>NON-RESIDENTIAL PROPERTY SPECIAL TAXES</td><td>8</td><td>8</td><td>8</td><td>8</td><td>8</td><td>8</td><td>S</td><td>3</td><td>8</td><td>8</td></th<>	NON-RESIDENTIAL PROPERTY SPECIAL TAXES	8	8	8	8	8	8	S	3	8	8
50 50 548,054 5178,552 570,047	RESIDENTIAL PROPERTY SPECIAL TAXES CLASS 1 CUSTOM HOMES CLASS 2 RESIDENTIAL (> 4,800 SF)	88	88	\$0\$	\$659	\$74,515	\$230,234	\$106,598	\$239,536	\$244,326	\$249,213
50 \$20,221 \$52,032 \$520,032 \$520,032 \$15,033 \$		ននទ	383	\$49,034 \$15,894	\$408,365 \$40,530	\$178,552 \$66,145 \$176,863	\$260,176 \$101,202 \$244,798	\$103,226	\$105,290	\$276,100 \$107,396 \$224,782	\$109,544 \$229,257
\$10 \$12,601 \$25,706 \$29,330 \$90,175 \$90,199 \$99,553 \$70,954 \$72,373 \$10 \$10 \$10 \$10 \$10 \$10 \$10,40,714 \$10,4		888	\$26,483 \$20,321	\$58,106 \$62,183	\$96,310 \$112,758	\$136,019 \$172,520	\$154,156 \$219,963	\$157,238	\$160,383	\$162,591	\$166,863
\$0 \$1,289,000 \$0 \$1,289,000 \$0	CLASS 8 RESIDENTIAL (<= 2,900 SF)	8	\$12,601	\$25,706	\$39,330	\$60,175	\$68,199	595'698	\$70,954	\$72,373	\$73,620
\$0 \$1 \$77,(60,000) \$0 \$12,695,000 \$0 </td <td>TOTAL SPECIAL TAXES</td> <td>8</td> <td>\$83,146</td> <td>\$287,963</td> <td>\$556,049</td> <td>\$564,810</td> <td>11,350,234</td> <td>852,77E,13</td> <td>\$1,404,784</td> <td>\$1,432,879</td> <td>/FC,169,14</td>	TOTAL SPECIAL TAXES	8	\$83,146	\$287,963	\$556,049	\$564,810	11,350,234	852,77E,1 3	\$1,404,784	\$1,432,879	/FC,169,14
50 50 50 54.29 600 54.29 600 54.29 600 54.29 600 54.29 600 54.29 600 54.29 600 54.29 600 54.29 600 54.29 600 54.29 600 54.20 6000 54.20 600 54.20 600	IV. SPECIAL TAX REQUIREMENT NEW BONDED INDESTEDNESS NEW BESTENNES	8 8	2 2	\$7,160,000	23	88	\$12,895,000	88	22	22	88
50 50<	ANNIAL DEST SERVICE - SERIES A ANNIAL DEST SERVICE - SERIES B	88	22	33	\$429,600	\$429,600	\$434,332	\$443,019	\$451,879 \$773,700	\$782,222	\$470,135
50 50 50 (\$16,026)	ANNUAL GROSS DEBT SERVICE	8.5	S 55	35 000	\$429,600	\$429,600	\$950,132	\$1,216,719	\$1,225,579	\$1,243,139	\$1,268,002
50 \$16,000 \$142,175 \$229,385 \$100,000 \$1	CFD ALMINIS INTEREST (6% DELINQUENCY)	88	2 2	3 5	05	(\$16,826)	(\$16,626)	(\$16,826)	(\$16,826)	(\$47,129)	(\$47,129)
\$0 \$11,694 \$0.304,11 \$11,714 \$10,714 \$	CAPITALIZED INTEREST PAYABILITY OF PURCHASE PRICE RE. S.IMMSSITE)	3 8 3	\$19,688	\$142,178	\$302,417	\$239,385	(S. 12)	8 8	888	នន	88
\$0 \$18,628 \$2,529,245 \$2,631,662 \$4,071,048 \$6,000,000	PAY-AS-YOLGO FUNDS (CITY OF SAN JUAN CAPISTRANO PUBLIC FACILITIES AND FEES) PAY-AS-YOLGO FUNDS (CITY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES)	3 3 5	\$1,591	\$11,374	\$24,193	\$19,151	\$42,173 \$42,173	23 OF 22	3130 723	5170 £35	2 62 63 55 55 55 55 55 55 55 55 55 55 55 55 55
AYAS-YOLIGO FOR \$18,688 \$3,529,245 \$3,631,662 \$4,071,046 \$6,000,000 \$6,000,00	NET ANNUAL DEBT SERVICE	2	\$83,146	\$227,963	\$556,049	\$864,810	\$1,350,234	\$1,377,238	\$1,404,784	\$1,432,879	\$1,461,537
OS OS OS OS OS OS	CUMULATIVE BOND PROCEEDSFAYAS-YOU-GO FOR INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJUMSSITE	3	\$19,688	\$3,529,245	53,631,662	\$4,071,048	\$6,000,000	36,000,000	\$6,000,000	36,000,000	000'000'9\$
	ANNUAL BURPLUS(DEFICIT)	8	8	នៈ	8	8	3.	8	8 !	8.	8

	GROSS DEBT SERVICE COVERAGE **	VII. DERT SERVICE COVERAGE. GROSS DERT SERVICE COVERAGE FROM 18T BOND AND 70 UNITS*	TOTAL MAXIMUM SPECIAL TAXES	_		CLASS 6 RESIDENTIAL (3,401 - 3,700 SF)	CLASS 4 RESIDENTIAL (3,501 - 4,500 G.F)		_	RESIDENTIAL PROPERTY CLASS 1 CUSTOM HOMES	NON-RESIDENTIAL PROPERTY	VI. MAXIMUM SPECIAL TAXES. UNDEVELOPED PROPERTY		CLASS 7 RESIDENTIAL (2.901 - 3.400 SF)	CCASS RESIDENTIAL (3.401-3.700 SF)				CLASS 1 CUSTOM HOMES	RESIDENTIAL PROPERTY, PER UNIT	NON-RESIDENTIAL PROPERTY, PER ACRE	UNDEVELOPED PROPERTY, PER ACRE	V. AVERAGE ANNUAL SPECIAL TAX	CALENDAR YEAR - PAYMENTS TO BOND HOLDERS	CHANA CON LECTION OF TAYES
* THE WAY THE CAND THE CAND THE WAY THE WOLLD WAS THE CANDES THE CHAIN THE CAND THE	8 8	W	\$1,512,236	8	g	8	8	5 5	3 8	\$	8	\$1,512,236	8	8	8:	5	8 1	5 8	3 8	ł	*	8		2012	2011-12
ES LESS CFD ALMANEST	₹ ₹	\$	\$1,506,209	\$12,601	520,321	\$28,483	221,741	8 8	3 8	8	8	\$1,423,062	\$6,300	\$6,774	\$7,121	\$7,247	8	8 8	\$ 8	;	8	8		2013	2012-13
WITON, DITIDED BY CH RATION PLUS RESERTE	₹ ₹	ξ	\$1,465,423	\$25,706	\$62,183	\$58,106	\$59,135	\$15,894	\$17,905	8	ន	\$1,177,480	\$6,427	\$6,909	\$7,263	\$7,392	\$7.947	SA 177	: 5 5	3	8	g		2014	2013-14
EARVINGS, DATIDED RI	₹ ₹	110.07%	\$1,405,038	\$39,330	\$112,758	\$96,310	\$113,096	\$40,530	\$45,659	g	8	\$848,989	\$6,555	\$7,047	\$7,408	\$7,540	\$8.106	\$6,706	1	3	8	8		2015	2014-15
ANINS DEBUSEARED.	₹ ₹	112.27%	\$1,329,476	\$60,175	\$172,520	\$136,019	\$176,883	250.145	\$74,515	8	8	\$464,666	\$6,686	\$7,188	\$7,557	\$7,691	\$8.268	SB 503	8 2	3	8	8		2016	2015-16
	₹ ₹	113.27%	\$1,350,234	\$68,199	\$219,963	\$154,155	\$211,798	\$101.202	\$104,507	\$230,234	8	(\$0)	\$6,820	\$7,332	\$7,708	\$7,844	\$8,433	\$8,673	\$0.504 \$0.548		8	ŗ	1	2017	2016-17
	¥ ¥	113.27%	\$1,377,239	\$69,563	\$224,363	\$157,238	\$216,034	\$103,226	\$106,598	\$234,839	8	(\$0)	\$6,956	\$7,479	\$7,862	\$8,001	\$8,602	\$8.946	\$0,600	***	8	g	;	2018	2017-18
	110.03%	113.27%	\$1,404,784	\$70,954	\$228,850	\$160,383	\$220,355	\$105,290	\$108,729	\$239,536	8	(\$0)	\$7,095	\$7,628	\$8,019	\$8,161	\$8,774	\$9.023	\$0,000 0,000	***	8	ŗ	;	2019	2018-19
	110.64%	113.27%	\$1,432,879	\$72,373	\$233,427	\$163,591	\$224,762	\$107.396	\$776,904	\$244,326	8	(30)	\$7,237	\$7,781	\$8,180	\$8,325	\$8,950	\$9,203	\$10,200	*45 300	g	ŗ	;	2020	2019-20
	114.36%	113.27%	\$1,461,537	\$73,820	\$238,095	\$156,863	\$229,257	\$109.544	S713,122	\$249,213	8	(\$6)	\$7,382	\$7,937	\$8,343	\$8,491	\$9,129	\$9.387	\$10,011	***	8	ğ		2021	2020-21

2021-22 FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYWENTS TO BOND HOLDERS	HASE PRICE RE: SJAMSSITE	TOTAL FINANCED PUBLIC FACILITIES \$0 TOTAL BONDED INDERTEDNESS \$0 IL ABSORPTION - BUILDING PERMITS (as of 1/1).* REMAINING UNDEVELOPED ACREAGE DEVELOPED NOW-RESIDENTIAL PROPERTY DEVELOPED WOW-RESIDENTIAL ACREAGE (0.0)		age of the control of	RESIDENTIAL PROPERTY SPECIAL TAXES RESIDENTIAL PROPERTY SPECIAL TAXES RESIDENTIAL PROPERTY SPECIAL TAXES CLASS 1 CASTOM HOMES \$115,385 CLASS 2 RESIDENTIAL (3.91 -4.500 SF) \$15,385 CLASS 3 RESIDENTIAL (3.91 -4.500 SF) \$111,735 CLASS 4 RESIDENTIAL (3.91 -3.500 SF) \$111,735 CLASS 6 RESIDENTIAL (3.91 -3.400 SF) \$170,200 SF) CLASS 6 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 7 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 8 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 8 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 8 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 9 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 1 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 1 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 1 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 2 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 3 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 4 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 5 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 6 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 7 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLASS 8 RESIDENTIAL (~2.300 SF) \$170,200 SF) CLA	NEW BRONDED INDESTEDIES \$0 NEW RESERVE FUND ANNUAL DEST SERVICE - SERIES A ANNUAL DEST SERVICE - SERIES B ANNUAL CROSS DEBT SERVICE FOR DADMINISTRATION FOR DADMINISTRATION RESERVE FUND INTEREST (6% DELINQUENCY) CAPTALLED INTEREST PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) SO PAY-AS-YOL-GO FUNDS (ITTY OF SAN JUAN CAPISTRANO OTHER CITY FACIL
2 2022-23	88 88 S	g c			\$259.2 \$117.6 \$117.6 \$118.5 \$230.6 \$247.7 \$76.8	\$0 \$0 \$2 \$2 \$3 \$3 \$4 \$3 \$4 \$3 \$4 \$4 \$4 \$4 \$4 \$4 \$4 \$4 \$4 \$4
2023-24	33 33 1	Ç, Ç, Ö, Ö	5 1 8 2 7 2 8 9	នៃ ខ	2284,467 5120,046 5130,046 5116,249 5177,076 5177,076 5177,076 5177,076 5177,076 5177,076 5177,076 5177,076 5177,076 5177,076 5177,076	\$0 \$448,911 \$446,703 \$1,546,14 \$22,664 \$47,129 \$0 \$1 \$0 \$1,560,341 \$1,560,395
2024-25 2025	88 88 8	0% 3	2 2 3 3 3 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		\$122,447 \$122,447 \$118,574 \$246,157 \$180,618 \$257,722 \$78,005	\$00 \$500,689 \$850,637 \$1372,526 \$1372,526 \$1372,129 \$0 \$10 \$1,582,013 \$6,000,000
2025-26 2026	33 23 5	양 요	\$ = \$ 2 6 8 8 5	 2 5	\$275,151 \$124,896 \$120,824 \$120,824 \$253,118 \$184,230 \$262,877 \$611,604	\$0 \$519.067 \$880,910 \$1,399,910 \$46,890 \$6,890 \$1,613,636 \$6,000,000 \$6,000,000 \$6,000,000
2026-27 2027	88 88	Ç, Ç, Ç	2 2 2 2 2 2 2 2	នៃ នេះ	520,054 \$127,394 \$1127,394 \$251,115 \$157,153 \$157,163 \$157,915 \$25,181 \$25,181	\$0 \$529,448 \$836,528 \$1,427,976 \$447,129 \$0 \$0 \$1 \$1,646,928 \$6,000,000
2027-28	88 88 8	및 유	\$ = 8 5 6 8 8 5	វិធិ និះ និ	\$256.267 \$125.942 \$125.831 \$250,346 \$115.831 \$273.487 \$247.786 \$1,673.847	\$0 \$540,003 \$1456,488 \$1456,488 \$1456,488 \$0 \$0 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2
2028-29	33 33	ୟୁ ସ୍ଥ ଓଡ଼ି ଓ ଆଧାର	28832822	28. 28. 8	\$221,983 \$132,541 \$132,541 \$228,681 \$185,508 \$278,687 \$86,472 \$4771,12424	\$50 \$50,033 \$550,638 \$550,638 \$550,638 \$6,039 \$77,128 \$1,772,424 \$6,000,000
2029-30	33 33 5	3 G G	222823	35 8 8	\$297,833 \$135,191 \$236,565 \$130,915 \$273,893 \$186,416 \$284,226 \$40,222	\$0 \$561,855 \$953,825 \$1,515,380 \$70,012 \$0 \$0 \$0 \$20 \$1,746,672 \$6,000,000
2030-31	33 33 5	33 G G	2 2 2 2 2 2 2 2	 187 188 18	\$137,685 \$137,685 \$133,533 \$278,663 \$203,405 \$203,405 \$203,405	50 \$573.092 \$173.685 \$1,545.687 \$1,741.239 \$2 \$2 \$2 \$2 \$1,781.605 \$6,000,000

Draft - Unaudited

FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS	2021-22	2022-23	2023-24	2024-25	2025-26 2025	2026-27 2027	2027-28	2028-29	2028-30 2030	2030-31
V. AVERAGE ANNUAL SPECIAL TAX UNDEVELOPED PROPERTY, PER AGRE	3	9	3	3	3	3	3	ĩ	3	រ
NON-RESIDENTIAL PROPERTY, PER ACRE	8	8	8	S	8	8	8	8	8	8
RESIDENTAL PROPERTY, PER UNIT CLASS 1 CUSTOM HOWIES CLASS 0 ESEMENTAL I A 4 MAY SET	\$16,946	\$17,285	\$17,631	\$17,984	\$18,343	\$18,710	\$19,084	\$19,486	\$19,856	\$20,253
	\$9,575	\$9,767	\$8,962	\$10,161	\$10,364	\$10,572	\$10,783	\$10,999	\$11,219	\$11,443
	1988	\$6,634	\$9,011	\$9,191	\$9,375	295'85	\$9,753	\$9,949	\$10,148	\$10,350
	\$8,510	\$8,680	\$8,854	\$9,031	\$9,211	\$9,396	\$9,584	\$77.8\$	\$9,971	\$10,170
	\$60'8\$	\$8,257	\$8,422	58,591	\$8,763	\$28,838	\$39,117	\$9,289	\$9,485	\$9,675
CLASS 8 RESIDENTAL (<= 2,800 SF)	87,530	\$7,680	\$7,834	\$ 7,991	\$8,150	5 8,313	\$8,480	\$8,649	\$8,622	88,999
VI. MAXIMUM SPECIAL TAXES UNDEVELOPED PROPERTY	(55)	(OS)	(S)	(p s)	(05)	(05)	(30)	(O S)	(05)	6
NON-RESIDENTIAL PROPERTY	S	\$	8	S	S	8	S	S	8	8
M. Pr	\$254,197	\$259,281	\$264,467	\$269,756	\$275,151	\$280,654	\$286,267	\$291,983	\$297,633	\$303,789
CLASS 2 RESIDENTIAL (* 4,000 SF) CLASS 3 RESIDENTIAL (4,301 - 4,600 SF)	\$267,255	283,711	\$120,048 \$288,860	\$122,44/	\$124,896	\$127,394	\$129,942 \$323,496	\$132,541 \$329,866	\$135,191	\$137,895
	\$111,735	\$113,969	\$116,249	\$118,574	\$120,945	\$123,364	\$125,831	\$128,348	\$130,915	\$133,533
	\$233,842	\$238,519	\$243,289	\$248,155	\$253,118	\$258,181	\$263,344	\$266,611	\$273,983	\$279,463
CLASS 6 RESIDENTIAL (3,401-3,700 SF)	\$170,200	\$173,604	\$177,076	\$180,618	\$184,230	\$187,915	\$191,673	\$185,506	\$199,416	\$203,405
	\$75,297	\$76,803	\$78,339	\$78,905	\$81,504	\$63,134	\$84,796	\$278,857 \$86,492	\$284,546	\$59,987
TOTAL MAXIMUM SPECIAL TAXES	\$1,490,768	\$1,520,583	\$1,550,995	\$1,582,015	\$1,613,655	\$1,645,928	\$1,678,847	\$1,712,424	\$1,746,672	\$1,781,606
VII. DEBI SERVICE COVERAGE.										
GROSS DEBT SERVICE COVERAGE FROM 1ST BOND AND 70 UNITS* GROSS DEBT SERVICE COVERAGE*	113.27%	113.27%	113.27%	113.27%	113.27%	113.27%	113.27%	113.27%	113.27%	113.27%
NET DEBT SERVICE COVERAGE ™	114.25%	114.22%	114.15%	114.08%	114,01%	113.94%	113,88%	113.62%	113.75%	113.69%
	* ALLIDACIA SPECIAL FATES LESS CPD ALABANSTRATION, DITIDED BT GROSS DEBT SERVICE	ES LESS CFD ADARWETT	CLITICAL DITTIDED BT GR	OCS DEBT SERVICE						

CA APECIAL TAKES LESS CPD AUXBRISTRATION, DATOED BY CHOOSS DEBY SECURE: TAK SPHOLIT TAKES LESS CPD AUXBRISTRATION PLAS BY SHOWNY SATURATES AND THEN BY CHOOSE REPROFESSIONS

FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS 2013	L. CED BONDED INDEBTEDNESS. CUSD OTHER FACILITIES INCREMENTAL PAYMENT OF PURCHASE PRICE RE. SJAMHSISITE \$0	88	TOTAL FINANCED PUBLIC FACILITIES \$0 TOTAL BONDED INDEBTEDNESS \$0	II. ABSORPTION - BUILDING PERMITS (as of 1/11) * UNDEVELOPED PROPERTY REMAINING UNDEVELOPED AGREAGE (0.0)				4,800.5F) 30 30 30 8F) 12 4,300.8F) 77	KESICENIM, (3,701 - 3,900 SF) 2/7 RESICENIM, (3,701 - 3,700 SF) 2/0 RESICENIMA (3,700 SF) 2/0 RESICENIMA (3,700 SF) 3/0 SF) 3/		155 tan building permos.	III. MELLO-ROOS SPECIAL TAXES. UNDEVELOPED PROPERTY SPECIAL TAXES	NON-PESIDENTIAL PROPERTY SPECIAL TAXES	RESIDENTIAL PROPERTY SPECIAL TAXES CLASS 1 CUSTOM HOMES CLASS 2 RESIDENTIAL (+460 SF) SA ARRON PROPERTY SPECIAL (1994 460 SF)	RESIDENTIAL (4,301 -4,300 SF)			81,718,18	IV. SPECIAL TAX REQUIREMENT NEW BONDED INDEBTEDNESS \$0	08	\$564,554 \$982,047	\$1,576,601	CESTAGE INTERPRETATION (SALUNDENCY) (SATIAL TECHNOLOGICAL TECHNOLOGICA TECHNOLOGI	PAYAS-YOL-GO FUNDS (INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJIPHS/SITE) \$3 \$4.45.YOL-GO FUNDS (INCREMENTAL JAVA CAPISTRANO PUBLIC FACILITIES AND FEES) \$3	JUAN CAPISTRANO OTHER CITY FACILITIES) 50	. •	S6,000,000 INCREMENTAL PAYMENT OF PURCHASE PRICE RE SUMMISSITE	\$
2012-43	2 2	22	3 3	(0:0)		2	: - :	3 2 8	3 22 5	8 2	155	8	8	\$316,062			,	\$1,853,582	2		\$596,245 \$1,011,888	\$1,608,133			\$218.	1 64	\$6,000,000	\$
2013-34	S 2	22	88	(0.0)	00	ŧ	: ; ;	8 to 6	188	8 5	155	8	3	\$122,384	\$141,707 \$146,509	\$215,655	\$95,494	\$1,890,654	3	\$	\$1,032,126	\$1,640,296	(\$47,129)	2 2 2	\$221.704	\$1,890,654	\$6,000,000	:
2034-35	88	22	33	(0.0)	0.0	\$; ; ;	3 2 8	188	8 2	2 5	8	8	\$328,831	\$144,541 \$144,541	\$220,172	\$97,404	\$1,928,467	3	\$	\$620,333	\$1,673,102	(\$47,128)	2 2 2	\$225,196	\$1,928,467	\$6,000,000	:
2035-36	2 2	88	33	(0.0)	0.0	Ā	2 ‡ \$	3 2 5	\$88	8 2	詫	8	8	\$135,408	\$147,432 \$147,432	\$224,575	\$99,352	\$1,967,036	8	8	\$632,740 \$1,073,824	\$1,706,564	(\$47,128)	ននេ	\$228.757	\$1,967,036	\$6,000,000	1
2036-37	38	88	88	(0.0)	00	ā	2 = 5	3 2 5	788	9 2	351	8	8	\$155,292	\$150,380	\$229,067	\$101,339	\$2,006,377	8	8	\$645,395	\$1,740,695	(\$47,129)	3 3 3	\$0.000	\$2,006,377	\$6,000,000	;
2037-38	3. 3.	88	333	(0.0)	90	ā	2 = \$	3 2 8	388	음 은	155	8	8	\$159,958	\$153,388	\$233,648	\$103,386	\$2,046,505	8	8	\$658,303	\$1,775,509	(\$47,129)	ននេះ	\$236 085	\$2,045,505	\$6,000,000	
2038-39	22	22	22	(0.0)	0.0	ž	2 ± 8	8 2 8	388	8 5	155	8	2	\$355,938 \$161,586	\$402,226 \$156,456	\$238,321	\$105,434	\$2,087,435	3	8	\$671,469	\$1,811,019	(\$47,129)	3 3 3	\$739.874	\$2,087,435	\$8,000,000	
2039-40 2040	\$ \$	23	38	(0.0)	9	ā	2 ∓ 8	3 2 5	588	8 5	351	8	2	\$363,056	\$159,585 \$159,585	\$243,088	\$107,542	\$2,129,184	3	*	\$684,898	\$1,847,240	(\$47,129)	3 3 3	08 25 25 25	£2,129,184	\$6,000,000	
2040-41	88	88	88	(0.0)	0.0	ř.	2 # \$	3 2 8	388	8 5	155	8	8	\$10,317	\$162,776	\$247,949	\$109,693	\$2,171,767	ş	8	\$698,596 \$1,185,588	\$1,884,184	(\$47,129)	3 8 9	05 2723	\$2,171,767	86,000,000	

CUSD CFD No. 2005-1 (Whispering Hills): 52

FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS	2031-32 2032	2032-33	2035-34 2035-34	2034-35	2035-36	2038-37	2037-38	2036-39	2039-40	2040-41
Y. AVERAGE ANNUAL SPECIAL TAX UNDEVELOPED PROPERTY, PER ACRE	3	រ	3	3	3	3	3	3	3	3
NON-RESIDENTIAL PROPERTY, PER ACRE	8	8	S	9	9	8	8	8	3	S
RESIDENTIAL PROPERTY, PER UNIT CLASS 1 CUSTOM HOMES	\$20.658	\$21.071	\$21,492	\$21,822	\$22,361	\$22,808	\$23.264	\$23,728	\$24,204	\$24,688
	\$12,787	\$13,042	\$13,303	\$13,569	\$13,841	\$14,117	\$14,400	\$14,688	\$14,982	\$15,281
CLASS 3 RESIDENTIAL (4,301 - 4,600 SF)	\$11,672	\$11,906	\$12,144	\$12,386	\$12,634	\$12,887	\$13,145	\$13,408	\$13,676	\$13,949
CLASS 4 RESIDENTIAL (3,901 - 4,300 SF)	\$11,350	\$11,577	\$11,809	\$12,045	\$12,286	\$12,532	\$12,782	\$13,038	\$13,299	\$13,565
CLASS 5 RESIDENTIAL (3.701 - 3.900 SF)	\$10,557	\$10,769	\$10,984	\$11,204	\$11,428	\$11,656	\$11,889	\$12,127	\$12,370	\$12,617
CLASS 6 RESIDENTIAL (3,401 - 3,700 SF)	\$10,374	\$10,581	\$10,793	\$11,009	\$11,229	\$11,453	\$11,682	\$11,916	\$12,154	\$12,397
CLASS 7 RESIDENTIAL (2,901 - 3,400 SF)	\$9,848	\$10,065	\$10,267	\$10,472	\$10,682	\$10,895	\$11,113	\$11,335	\$11,562	\$11,793
CLASS 8 RESIDENTIAL (<= 2,900 SF)	\$9,179	\$9,362	\$9,549	\$9,740	\$9,935	\$10,134	\$10,337	\$10,543	\$10,754	\$10,969
VI. MAXIMUM SPECIAL TAXES IMPROVE OPED PROPERTY	Ş	Ş	Ş	9	5	Ş	Ş	Ş	5	Ş
ACTUAL AC		. 8			. \$	<u> </u>	. \$.	.	. 5
MONTH THE PROPERTY	3	3	3	3	3	3	3	₹	3	8
IAL PI	\$309,865	\$316,062	\$322,384	\$328,831	\$335,408	\$342,116	\$348,958	\$355,838	\$363,056	\$370,317
CLASS RECIENTED (* 4,800 or)	250,463	4347 465	000,000	207,697	200 07.75.16	787'CC16	900,0016	200,000	\$410.771	\$418 475
	\$136.204	\$138,928	\$141,707	\$144,541	\$147,432	\$150,380	\$153,388	\$156,458	\$159,585	\$162,776
	\$285,052	\$290,753	\$296,568	\$302,500	\$308,550	\$314,721	\$321,015	\$327,435	\$333,884	\$340,664
	\$207,473	\$211,622	\$215,855	\$220,172	\$224,575	\$229,067	\$233,648	\$238,321	\$243,088	\$247,949
•	\$296,042	\$301,963	\$308,002	\$314,162	\$320,445	1326,854	£333,391	\$340,069	2346,860	197,000
CLASS 8 RESIDENTIAL (= 2,900 SF)	\$91,786	229'655	\$95,494	\$97,404	\$99,352	\$101,338	\$103,366	\$105,434	\$107,542	\$109,693
TOTAL MAXIMUM SPECIAL TAXES	\$1,817,238	\$1,853,582	\$1,890,654	\$1,928,467	\$1,967,036	\$2,006,377	\$2,046,505	\$2,087,435	\$2,129,184	\$2,171,767
VII. DEBT SERVICE COVERAGE.										
GROSS DEBT SERVICE COVERAGE FROM 1ST BOND AND 70 UNITS*	113.27%	113.27%	113.27%	113.27%	113.27%	113.27%	113.27%	113.27%	113.27%	113.27%
GROSS DEBT SERVICE COVERAGE. NET DEBT SERVICE COVERAGE **	113.63%	713.57%	710.00×	113.46%	113.40%	113.35%	113.30%	113.25%	113.19%	113.14%
	as market a	er same i	ALL PROPERTY OF THE PARTY OF TH	TOTAL STATE OF THE						

• ALDICAL SPEZUL FAES LESS CPO JAMONSTRATON; DITROD BY CHOSS DEST SOFTE: • ALDICAL SPEZUL FAES LESS CPO JAMONSTRATON; PLUS RESENTE ELRYPICS, DITTOD BY GROSS DEST SENING:

FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS	2041-42 2042	2042-43	2043-44	204.45	2045-46	2048-47	TOTAL
L. CED BONDED INDEBTEDNESS. CUSD ONER FACILITIES INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJHHS/SITE CITY OF SAN JUAN CAPISTRANO PUBLIC FACILITIES & FEES OTHER CITY FACILITIES TOTAL FUNANCED PUBLIC FACILITIES	22 22 2	88888	88 88 8	32 22 3	33 33 3	33 33 3	\$4,922,565 \$5,296,132 \$4,791,293 \$653,358 \$15,663,348
TOTAL BONDED INDEBTEDNESS II. ABSORPTION - BUIL DING PERMITS (As of 1/1). UNDEVELOPED PROPERTY REMAINING UNDEVELOPED ACREAGE POPEL OPED ON HESIDENTIAL ROPERTY ON MATTER NON DESTREMENTAL ROPERTY ON MATTER NON DESTREMENTAL ACREAGE	Q, G; G	S 6: 0	OS (O:O)	9 (0· 0	9 0 0	g. 0. c	\$20,055,000 NA NA
DEVELOPED RESIDENTIAL PROPERTY CLASS 1 RESIDENTIAL (> 4,600 SF) CLASS 2 RESIDENTIAL (> 4,600 SF) CLASS 3 RESIDENTIAL (> 4,600 SF) CLASS 4 RESIDENTIAL (> 4,300 SF) CLASS 5 RESIDENTIAL (> 3,900 SF) CLASS 6 RESIDENTIAL (> 3,900 SF) CLASS 6 RESIDENTIAL (> 3,900 SF) CLASS 7 RESIDENTIAL (> 3,900 SF) CLASS 8 RESIDENTIAL (> 3,300 SF) CLASS 8 RESIDENTIAL (> 3,900 SF) CLASS 9 RESIDENTIAL (> 3,900 SF) CLASS 9 RESIDENTIAL (> 3,900 SF) CLASS 9 RESIDENTIAL (> 3,900 SF)	27 27 27 27 27 27 27 27 27 27 27 27 27 2	* * * * * * * * * * * * * * * * * * *	2 2 2 2 2 2 2 2 3 3 5 5 5 5 5 5 5 5 5 5	* * * * * * * * * * * * * * * * * * *	22 22 23 24 25 25 25 25 25 25 25 25 25 25 25 25 25	22 2 2 2 2 3 9 9 9 9 9 9 9 9 9 9 9 9 9 9	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
III. MELLO-ROOS SPECIAL TAXES. UNDEVELOPED PROPERTY SPECIAL TAXES NON-RESIDENTAL PROPERTY SPECIAL TAXES	88	3 3	3 3	8 8	8 8	8 8	3 3
RESIDENTIAL PROPERTY SPECIAL TAXES CLASS 1 CUSTOM HOMES CLASS 2 RESIDENTIAL (1.9 4.600 SF) CLASS 3 RESIDENTIAL (3.01 - 4.500 SF) CLASS 4 RESIDENTIAL (3.01 - 4.500 SF) CLASS 5 RESIDENTIAL (3.01 - 3.500 SF) CLASS 6 RESIDENTIAL (3.01 - 3.500 SF) CLASS 7 RESIDENTIAL (3.401 - 3.700 SF) CLASS 8 RESIDENTIAL (-2.500 SF) CLASS 8 RESIDENTIAL (-2.500 SF)	\$177,724 \$177,724 \$177,724 \$166,022 \$166,022 \$166,022 \$166,022 \$166,022 \$166,022 \$166,022 \$166,022	\$386,278 \$1174,885 \$4435,383 \$169,383 \$154,427 \$257,866 \$386,091 \$114,725	\$270,896 \$102,954 \$106,025 \$119,075 \$181,380 \$266,811 \$80,243	\$400,843 \$181,850 \$452,972 \$178,194 \$386,745 \$382,852 \$118,735	\$408.860 \$185.589 \$479,718 \$376,120 \$273,785 \$390,621 \$121,110	\$197,159 \$89,494 \$22,799 \$86,663 \$181,372 \$182,010 \$183,304 \$56,401	88 415 234 84 411 220 810 975 811 84 281, 122 88 (62.2 97) 82, 962, 987 82, 966, 734 82, 966, 734
IV. SPECIAL TAX REQUIREMENT. NEW BONDED INDESTEDNESS NEW RESERVE FUND ANNUAL DEST SERVICE - SERIES A ANNUAL DEST SERVICE - SERVICE ANNUAL GETS SERVICE CFD ADMINISTRATION RESERVE FUND INTEREST (6% DELINOUENCY)	\$0 \$772,568 \$1,209,300 \$1,201,868 \$88,702 (\$47,129)	\$0 \$0 \$1,233,486 \$1,390,305 \$90,568 (\$47,129)	(\$7,160,000) (\$716,000) \$741,356 \$1,256,156 \$1,999,511 \$82,379 (\$47,129)	\$0 \$0 \$1,283,319 \$1,283,319 \$54,227 \$50,303)	\$0 \$0 \$1,308,985 \$1,308,985 \$96,112 \$30,303)	(\$1,289,000) (\$1,289,500) \$0 \$1,335,165 \$1,335,165 \$88,034 (\$30,303)	\$2,005,000 \$2,005,500 \$16,951,722 \$31,045,490 \$47,997,724 (\$1,336,445)
CAPITALIZED INTEREST PAYAG-YOLGO FUNDS (INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SLIMPISSITE) PAYAG-YOLGO FUNDS (CITY OF SAN JUAN CAPISTRANO PUBLIC FACILITIES AND FEES) PAYAG-YOLGO FUNDS (CITY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES) REMAINING PAYAG-YOLGO FUNDS TO CUSD NET ANNUAL DEBT SERVICE	20 20 20 20 20 20 20 20 20 20 20 20 20 2	\$2 \$2 \$2 \$2,255,752	\$0 \$0 \$0 \$259,835 \$1,588,697	\$0 \$0 \$1,003,548 \$2,350,791	\$0 \$0 \$0 \$1,023,013 \$2,397,806	\$0 \$0 \$1,042,867	(\$1,203,300) \$703,868 \$722,205 \$96,483 \$9,532,397 \$57,008,644
CUMULATIVE BOND PROCEEDSPAY-AS-YOU-GO FOR INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJAMKSRITE ANNUAL SURPLUS(DEFICT) CUMULATIVE SURPLUS(DEFICT)	\$6,000,000 \$ \$0 \$0 = 0.237,852.7632.7632.7632.7632.7632.7632.7632.763	\$6,000,000 \$0 \$0 £ ASSUMES MARCH 1.40	\$6,000,000 \$6,000 \$0 \$AD SEPTEMBER 1 BAND FATACAYS	\$6,000,000 \$0 \$0 \$0	\$6,000,000 \$0 \$0	0\$ 0\$	\$ \$ \$

FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOWD HOLDERS	2041-42	2042-43	2043-44	2044-45 2045	2045-46	2046-47 2047	TOTAL	
V. AVERAGE ANNUAL SPECIAL TAX UNDEVELOPED PROPERTY, PER ACRE	3	3	3	3	3	8	\$	
NON-RESIDENTIAL PROPERTY, PER ACRE	8	S,	S	8	8	\$	ž	
RESIDENTIAL PROPERTY, PER UNIT	281 252	\$25,685	\$18.060	\$26.723	\$27.257	\$13.144	Ź	
CLASS - COSTON DOMES (* 4600 SF)	\$15,587	\$15,899	\$11,179	\$16,541	\$16,872	\$8,136	¥	
	\$14,228	\$14,513	\$10,204	\$15,099	\$15,401	\$7,427	ş	
	\$13,836	\$14,113	\$8,923	\$14,683	\$14,977	27.22	≨ :	
	\$12.870	\$13,127	\$9,230	\$13,657	\$13,930	2,58	\$ \$	
CLASS RESULENTIAL (3-401 - 3,700 or)	\$12.029	\$12.270	\$8,627	\$12.765	\$13,021	\$6.279	≨	
	\$11,189	\$11,412	\$8,024	\$11,674	\$12,111	\$5,840	ž	
VI. MAXIMUM SPECIAL TAXES	Ę	į,	Ę	Ş	Ę	Ş	t	
UNDEVELOPED PROPERTY	(ne)	<u> </u>	8	(%)	(re)	à	116,200,06	
NON-RESIDENTIAL PROPERTY	54	0\$	8	8	\$	9	S	
RESIDENTIAL PROPERTY	20.00	\$385.278	\$392.984	\$400.843	\$408.860	\$417,038	\$9,757,201	
	\$171,455	\$174,885	\$178,382	\$181,950	\$185,589	\$189,301	\$4,567,044	
	\$426,846	\$435,383	\$444,090	\$452,972	\$462,032	\$471,272	\$11,362,050	
	\$166,032	\$169,353	\$172,740	\$176,194	\$179,718	\$163,313	\$4,411,437	
	173,750	\$354,427	\$361,515	\$366,745	\$376,120	\$383,643	\$9,346,738	
_	\$252,908	906,762	220,120	200,002	200	157,872	/2 (co co	
CLASS 7 RESIDENTIAL (2,801 - 3,400 SF)	\$111.887	\$114,125	\$116,407	\$118,735	\$121,110	\$123,532	\$3,028,029	
			100		100			
TOTAL MAXIMUM SPECIAL TAXES	\$2,215,203	\$2,239,507	\$2,304,637	187,050,734	3777/300	79/1/27	96/,3/6,530	
VII. DEBT SERVICE COVERAGE.				;	:	:	;	
GROSS DEBT SERVICE COVERAGE FROM 1ST BOND AND 70 UNITS	113.27%	113.27%	113.27%	175 94%	74 B&K	175 RA R	≨ ≨	
GROSS DEBT SERVICE COVERAGE.	113.10%	113.05%	113.00%	178.20%	178.15%	178.11%	≨	
	* ALUBATAI SPECIAL TAIKS LESS CFD ALMENETRATION, ON TOED BY GROSS DEBY SERVINE	ES LESS CFD ALMENET	RUTION, DITTOED BY GR	OSS DEBT SERVICE				

rai spelal iais les colarbadiraion, in idea bi cros deli san re. An obstil iais les croudantinaion el serent survat antien del cross dell'antien de cross dell'obstil Scenario 2: 8.0% Average Coupon Rate (Taxspread #53)

Scenario 4: 0.0 % Average Coupon Mate (Taxapreau #35)		
	Sale #1 (70 DU/8.0%)	Sale #2 (85 DU/8.0%)
	Sep 2014	Jan 2017
Bond Amount	\$5,370,000	\$9,950,000
Bond Proceeds	\$3,906,000	\$7,699,029

Total Pay-As-You-Go Funds to City through Sale #1
Total Pay-As-You-Go Funds to City from Sale #1 through Sale #2
\$711,172

			Pay-As-You-Go to City	Actual Amount
	Sale #1 (70 DU/8.0%)		Through Sale #1	Sale #1 (70 DU/8.0%)
	Bond Proceeds split 60/40	Percentage	split 60/40	Allocated to CUSD and City
CUSD K-12 School Facilities	\$0	0%	NA	\$0
CUSD Incremental Payment of Purchase Price Re: SIH/HS/Site	\$2,343,600	60%	NA	\$2.451.644
Subtotal to CUSD	\$2,343,600	60%	NA	\$2,451,644
City of San Juan Capistrano Public Facilities & Fees (88% of total allocated to City)	\$1,374,912	35%	(\$95,079)	\$1,279,833
City of San Juan Capistrano Other City Facilities (12% of total allocated to City)	\$187.488	5%	(\$12.965)	\$174.523
Subtotal to City	\$1,562,400	40%	(\$108,044)	\$1,454,356
Total	\$3,906,000	100%	(\$108,044)	\$3,906,000

			Pay-As-You-Go to City	Actual Amount
	Sale #2 (85 DU/8,0%)		Through Sale #2	Sale #2 (85 DU/8.0%)
	Bond Proceeds split 60/40	Percentage	split 60/40	
CUSD K-12 School Facilities	\$1,772,405	23%	NA	\$2,483,577
CUSD Incremental Payment of Purchase Price Re: SJH/HS/Site	\$2.847.012	37%	NA	\$2.847.012
Subtotal to CUSD	\$4,619,417	60%	NA	\$5,330,589
City of San Juan Capistrano Public Facilities & Fees (88% of total allocated to City)	\$2,710,058	35%	(\$625,831)	\$2,084,227
City of San Juan Capistrano Other City Facilities (12% of total allocated to City)	\$369,553	5%	(\$85.341)	\$284.213
Subtotal to City	\$3,079,612	40%	(\$711,172)	\$2,368,440
Total	\$7,699,029	100%	(\$711,172)	\$7,699,029

SUMMARY OF PROCEEDS	Bond Proceeds	Pay-As-You-Go	Total	Amount per DU (155 DUs)
CUSD Proceeds K-12 School Facilities	\$2,483,577	\$11,864,189	\$14,347,766	\$92,566
CUSD Proceeds for Incremental Payment of Purchase Price Re: SJH/HS/Site	\$5.298.656	\$701.344	\$6,000,000	\$38.710
Subtotal to CUSD	\$7,782,233	\$12,565,533	\$20,347,766	\$131,276
City of San Juan Capistrano Proceeds Public Facilities & Fees <u>City of San Juan Capistrano Proceeds Other City Facilities</u>	\$3,364,060 \$458,735	\$720,910 \$98,306	\$4,084,970 <u>\$557.041</u>	\$3.594
Subtotal to City Total	\$3,822,796 \$11,605,029	\$819,216 \$13,384,749	\$4,642,012 \$24,989,778	

NPV OF SUMMARY OF PROCEEDS (AT 4% DISCOUNT RATE)	Bond Proceeds	Pay-As-You-Go		
CUSD Proceeds K-12 School Facilities	\$1,962,807	\$4,931,427	\$6,894,234	\$44,479
CUSD Proceeds for Incremental Payment of Purchase Price Re: SJH/HS/Site	\$4.429.537	\$597,973	\$5.027.510	\$32.436
Subtotal to CUSD	\$6,392,344	\$5,529,400	\$11,921,744	\$76,914
City of San Juan Capistrano Proceeds Public Facilities & Fees	\$2,784,962	\$595,377	\$3,380,339	\$21,809
City of San Juan Capistrano Proceeds Other City Facilities	\$379.768	\$81,188	\$460.956	\$2.974
Subtotal to City	\$3,164,730	\$676,565	\$3,841,295	\$24,783
Total	\$9,557,074	\$6,205,965	\$15,763,039	\$101,697

TAX SPREAD: 53
• DAVID TAUSSIG AND ASSOCIATES, INC.
• OLANT-11 01:30 PM

PROPOSED SPECIAL TAXES AND BONDED INDEBTEDNESS

COMMUNITY FACILITIES DISTRICT NO. 2005-1 (WHISPERING HILLS)

CAPISTRANO UNIFIED SCHOOL DISTRICT

(2.0% Increasing Debts Service and Special Taxes)

Bond Proceeds and Pay-Ax-Yon-Go split 60/40 to CUSD and City. Fund Increactial Payment of Purchase Price re: SJUHIS/Site first up to \$6 million.

City receives 40% of bond proceeds less amount received through pay-ax-yon-go. Assumes average coupon of 8.00%

1st bond sold at closing of 70th unit and based on coverage from minimum of 70 permitted units

1.AND LISE ASSUMPTIONS BULLDOUT PERIOD (YEARS FROM 2011) [3]	•	BOND ASSUMPTIONS AVERAGE COUPON BOND TERM (YEARS) BOND TERM (YEARS)	\$ <u>FRIES 2014</u> 6.00% 30 8.00%	SERIES 2017 8.00% 5.00%	g	XSTING FY 2010-11 TAX BATES IZI BASE PROPERTY TAX RATE SAN JUNI CAPISTRANO CITY GO BONDS MAND DERI SERVICE	SQ	1.00000% 0.03697% 0.00370%
TOTAL RESIDENTIAL UNITS 50 CLASS 1 CUSTOM HOMES 15	21 Z	RESERVE FUND CAPITALIZED INTEREST (12 MONTHS)	10,00% 7,61%	10.001 7.03.7		CAPISTRAYO LINIFED SCHOOL DISTRICT SFID NO. 1 MOSOUITO FIRE ANT ASSESSMENT	RICT SFID NO. 1	6.01105%
(35 009°	: ::			•		VECTOR CONTROL CHARGE		\$1.92
CLASS 3 RESIDENTIAL (4,301-4,600 SF) 30	8 2	DEBAYESTACHT BATEREST BATE		2.50%		MWD STANDBY CHARGE		\$10,08
RESIDENTIAL (3,701 - 3,800 SF)	27	DISCOUNT RATE FOR NPV ANALYSIS		4.00%				
RESIDENTIAL (3,401 - 3,700 SF)	2	PROPERTY INFLATION RATE		2.00%				
CLASS 7 RESIDENTIAL (2,901 - 3,400 SF) 30	8 5	ADMINISTRATION EXPENSE INFLATION RATE	ATE	200%	3	MINIMUM DEBT BERVICE COVERAGE GROSS COVERAGE (1ST BOND ISSUE AND 70 SOLD UNITS)	AND 70 SOLD UNITED	110.07%
	2	SPECIAL TAX ASSUMPTIONS (FY 2011-2012)	2		, ,	GROSS COVERAGE (AT BULLDOUT)		110.03%
		DEVELOPED COUNTENT DWELLING UNIT	E	ş	•	NET DEBT SERVICE COVERAGE		111.06%
NON-RESIDENTIAL ACREAGE 0.00	8	NON-RESIDENTIAL ACRE		\$21,465				
		UNDEVELOPED ALME BACK UP TAX PER RESIDENTIAL ACRE (EXCLUDES CUSTOM LOTS	XCLUDES CUSTOM LOTS	\$21,465				
		CUSTOM LOT BACK UP TAX PER LOT		\$13,902				
GROSS ACREACE [1] 310.20	8 3	THOUGH TAX OF GOOD TO AND AND AND THE THEORY	The property	3006				
ASSOCIATION AND POUR CHARTER LANGESTATE AND ASSOCIATION AND TAXABLE ACREAGE IN 58.84	9.3	W SPECIAL TAX INCREASE AFTER BUILDING PERMIT	NG PERMIT	2,00%				
E ACREAGE [4]	88.88	% LEVY OF MAXIMUM TAX		100%				
		S	SUMMARY OF TAX COMPUTATIONS	OMPUTATIONS				
	:				•			
	2011 MCMCMUM	PROJECTED SPECIAL TAX (FISCAL YEAR 2011-2012)	SPECIAL TAX		5 4	GNED SPECIAL TAX		
444	DASE BOYCE LA	CDECIAL TAY BY	B TOTAL FTR 151		SPECIAL TAX	ETR. TOTALETR.(5)		
CLASS 1 CUSTOM HOMES	\$1,800,000	\$00000 05			\$13,902			
CLASS 2 RESIDENTIAL (> 4,600 SF)	\$1,115,000				\$605	_		
	\$1,018,000				\$7,855	-		
	2050000				25,53	0.7735W		
CLASS 5 RESIDENTIAL (3,701-3,900 SF)	2007-2003	Manual of St.	1,0000		26.98			
CLASS OF RESUDENTIAL (J.ACT - J. 100 OF)	000 1985	-			\$6,641	•		
	\$601,000	_			11.98	•		
NOTES:				MAJOR CONCLUSIONS	SX			
[1] Bessel on actual tract map for Tract No. 16634.	TOTAL BOMDED NUDERTHONESS			\$15 320 000	DEVELOPED RESID	DEVELOPED RESIDENTIAL SPECIAL TAXES	•	\$57,482,144
(4) besed on carrent property tax bets. (3) Besed on information provided by IMP Capital Partners 2/11/10	TOTAL BOND FINANCED FACULTIES	1		\$11.805.029	DEVELOPED NON-R	DEVELOPED NON-RESIDENTIAL SPECIAL TAXES		3,
Delayed by 1 year per DPFG.	CUSD OTHER FACILITIES			\$2,483,578	UNDEVELOPED SPECIAL TAXES	CIAL TAXES		B
[4] Bazad on information provided by DPFG 12/15/10.	CUSD (INCREMENTAL PAYMEN	CUSD (NOREMENTAL PAYMENT OF PURCHASE PRICE RE: SJH/MS/SITE)		\$5,298,656	TOTAL SPECIAL TAXES	s e	•	P (700 £) 44
(5) ETR based on base sules prices.	CITY OF SAN JUAN CAPISINANO PUBLIC PA	CITY OF BAN JUAN CAPISTRANO PUBLIC FACILITIES AND FEES		\$456.736				
					CUSD (INCREMEN	CUSD (INCREMENTAL PAYMENT OF PURCHASE PRICE RE: BJHNISSITE)	RE: 8.JHANS.SITE)	\$5,290,666
	MOTAGE STANDARD TORN INTO	NOT SELECT		547 875 870	TOTAL	UNDS FOR INCREMENTAL PAYMEN	PAYAS YOU SO FUNDS FOR INCREMENTAL PAYMENT OF PURCHASE PRICE IS: STRINGALLS TOTAL	000'000'95
	PAY-AS-YOU-GO FUNDS FOR INC	PAY AS. YOU GO FUNDS FOR INCREMENTAL PAYMENT OF PURCHASE PRICE RE: S.IMMS/SITE	RE: SJAMSSITE	5701,344	1			••••
	REMAINING PAY-AS-YOU-GO FUNDS TO CUSD	ADS TO CUSO		\$11,664,189				
	PAYAS-YOU-OO FUNDS FOR CIT	PAYAS-YOU-GO FUNDS FOR CITY OF SAN JUAN CAPISTRANO PUBLIC FACULITIES AND FEES	TIES AND FEES	0120,910	C HANGON I SO MAN	VOV OF HADRING OPEN SPECIAL TAXES (115)		8
	MISCELLANEOUS REVENUES	I OF SAN JOHN CATES INVITED OF THE PA		(82,778,276)	NPV OF PAY-AS-YO	LOG FOR INCREMENTAL PAYMENT	NPV OF PAY-AS-YOU-GO FOR INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJHMS/SITE	\$70,702
	TOTAL NET DEBT SERVICE			\$57,462,144	NPV OF REMAINING	PAY-AS-YOU-GO FUNDS TO CUSD (115)	14,031,427

Colore C	FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS I. CED BONDED INDEBTEDNESS. CUSD	2011-12	2013	2014 2014 *SEP 2014*	2014-15 2015	2015-16	2016-17 2017 -JAN 2017-	2017-18	20102 2019	2019-20	2021
State Stat	OTHER FACILITIES INCREMENTAL PAYMENT OF PURCHASE PRICE RE. SJAPHS/SÍTE CITY OF SAN JUAN CAPISTRANO PJIRJIC FACILITIES, FEEES	88 8	22 Z	\$0 \$2,451,644 \$1,279,833	22 <u>2</u>	88 8	\$2,483,578 \$2,847,012 \$2,084,227	88 8	33 2	88 8	
	OTHER CITY FACILITIES	8 8	8	\$174,523	8 8	8 8	\$284.213	8 8	8 8	8 8	ı
	TOTAL BONDED INDEBTEDATES TOTAL BONDED INDEBTEDATES	3 8	3 3	\$5,370,000	3 3	3 3	000'056'6\$	3 3	3 3	3	
State Stat	II. ABSORPTION - BUILDING PERMITS (as of 1/1). UNDEVELOPED PROPERTY PERMIND INTENSIFY OF A PERMITS.	553	44 84	31.7	17.0	6	6	60	6	6	
10 10 10 10 10 10 10 10	REMAINING VOILEVELATE LA VACEANE PRIZE OPER OVER RESIDENTIAL PROPERTY CUMULATIVE NON-RESIDENTIAL ACREAGE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
### Comparison of the comparis	DEVELOPED RESIDENTIAL PROPERTY CLASS 1 CUSTOM HOMES	0	0	01	0	5	5 2 (52 ;	\$2	和 1	
## 1		000	NI UD C	ი ნა	₽ 72 °°	- 8 -	E 8 2	F 8 2	2 8 2	- 8 t	
1		. W 4 W		£ £ \$	23 24 24	882	887	282	883	222	
### 155 155		2	4	اق	6	2	2	위	2	2	
State Stat	CLANULATIVE RESIDENTIAL UNITS Outlan hornes based upon land safet, rather than balding parmits.	12	8	R	Ŧ	155	155	2	35	\$	
10 10 10 10 10 10 10 10	III. MELLO-ROOS SPECIAL TAXES. Undeveloped property special taxes	8	8	8	8	ន	8	8	ន	8	
\$6 \$6<	NON-RESIDENTIAL PROPERTY SPECIAL TAXES	8	8	8	8	8	8	8	8	8	
50 50 549,054 5176,552 \$756,176 \$756,176 \$756,579 \$700,697 50 521,741 \$1584 \$40,530 \$86,145 \$10,172 \$100,226 \$100,235 50 \$221,431 \$261,166 \$136,019 \$154,177,23 \$100,235 \$200,355 50 \$228,432 \$261,166 \$136,019 \$154,177,23 \$210,236 \$200,355 50 \$228,432 \$257,000 \$0 \$100,010 \$100,000 \$200,355 \$200,356 \$200,355 \$200,356 \$200,356 \$200,356	RESIDENTIAL PROPERTY SPECIAL TAXES CARST CUSTOM HAMES CARS CONTINUED TO SECURITION FOR SECURIT	9. 9	3.5	\$0 \$1,2 \$6	3 22	\$27.615	\$230,234	\$234,839 \$106,598	\$239,536	\$244,326	
50 \$15,684 \$40,530 \$156,043 \$21,172 \$110,226 \$		3	3 33	\$49,034	\$108,365	\$178,552	\$260,176	\$265,379	\$270,687	\$276,100	
\$0 \$284,106 \$586,106 \$112,756 \$112,756 \$112,407 \$112,407 \$112,407 \$112,407 \$112,728 \$112,712 \$		3 3	\$21,741	\$15,894	\$40,530	\$176,883	\$211.788	\$100,226 \$216,034	\$220,355	\$224,762	
\$60 \$12,601 \$25,706 \$20,175 \$20,175 \$20,175 \$20,175 \$20,175 \$20,175 \$20,172 \$20,172 \$20,272 \$1,377,239 \$10,064 \$0 \$0 \$23,146 \$25,770,000 \$0 \$0 \$20,500,000 \$0 \$0 \$1,377,239 \$11,404,784 \$0		នន	\$26,483 \$20,321	\$58,106 \$62,183	\$96,310 \$112,758	\$136,019 \$172,520	\$154,155	\$157,238 \$224,363	\$160,383 \$228,850	\$163,991	
50 55,370,000 50	CLASS 8 RESIDENTIAL (<= 2,900 SF)	8 8	\$12,601	\$25,706	\$39,330	\$60,175	\$68,199	\$69,563	\$70,954	\$72,373	
\$6 \$6<	TOTAL SPECIAL TAKES	8	\$.	SBG* 1979		010 (2004)	acceptance !	2071.121.2	en ('esser')	10'7741'10	
\$0 \$10 \$237,000 \$40 \$50 \$6965,000 \$50 \$429,600 \$40 \$4000 \$400 \$400 \$4000	IV. SPECIAL TAX REQUIREMENT NEW BONDED INCEPTEDATES	8	8	\$5,370,000	3	S	000'056'6\$	3	8	S	
50 50 5429.60	NEW RESERVE FUND	8	ន	\$537,000	8	8	\$885,000	8	8	8	
50 50 54.29,600 54.29,600 542.9,600 552.060 51,225,600 51,225,204 5	ANNUAL DEBT SERVICE - SERIES A ANNUAL DEBT SERVICE - SERIES B	នន	3	88	\$429,600	\$429,600	\$429,600	\$429,600 \$796,000	\$786,000	\$796,000	
\$60 \$60,000 \$51,000 \$52,000 \$52,000 \$50,000 \$5	ANNUAL GROSS DEBT SERVICE	8	8	8	\$429,600	\$429,600	\$960,267	\$1,225,600	\$1,225,600	\$1,219,701	
50 \$10 \$20 \$4429 600) \$20 \$450,667) \$250,667) \$250,667) \$250,667) \$250,667) \$250,667 \$250,667 \$250,677<	CFD ADMINISTRATION RESERVE FUND INTEREST (6% DELINQUENCY)	88	000'068 80	00.152 03.	020 Zes 2027 2028	(\$12,620)	(\$12,620)	(\$12,620)	(\$12,620)	(\$36,002)	
50 511,088 513,411 513,098 500,09455 50 50 50 51,1689 513,411 513,098 513,098 500,09455 50 50 50 50 51,581 513,098 513,098 513,098 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50 50	CAPITALIZED INTEREST	3 1	3	3	(\$429,600)	8	(\$530,867)	(\$265,333)	8 8	8 8	
50 \$1,591 \$11,374 \$24,163 \$16,949 \$42,189 \$40,7189 \$50 \$50 50 50 50 (50) 50 \$65,477 \$135,438 \$135,485 50 \$13,777,239 \$13,777,239 \$13,600,000 \$40,000,	PAY-AS-YOL-GO FUNDS (INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJAFFRS'STE) PAY-AS-YOL-GO FUNDS (CITY OF SAN JUAN CAPISTRANO PUBLIC FACILITIES AND FEES)	3 8	\$11,668	\$142,175	\$177,418	\$138,959	\$309,455	3 23	3 3	2 2	
\$0 \$19,000 \$0,000 \$6,000,000 \$6,0	PAY-AS-YOU-GO FUNDS (CITY OF SAN JUAN CAPISTRANO OTHER CITY FACULITIES) DEMANNING BAY-AS-YOU CO. EINDS TO CITYON	S 5	\$1,591	\$11,374	\$24,183 (\$0	\$18,948	\$42,198	\$374.388	\$135,495	\$191.746	
\$0 \$19,868 \$2,613,710 \$2,916,127 \$3,152,988 \$6,000,000	NET ANNUAL DEBT SERVICE	8	\$83,146	\$287,963	\$556,049	\$654,610	\$1,350,234	\$1,377,238	\$1,404,784	\$1,432,679	
	CUMULATIVE BOND PROCEEDS/PAYAS-YOLGO FOR INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJAMSSITE	\$	\$19,888	\$2,613,710	\$2,916,127	£3,152,988	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	
	ANNUAL SURPLUS/(DEFICT)	8.	8 1	8	8	8 8	8.5	88	8	8 8	

FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS	2011-12	2012-13	2013-14	2014-15	2015-16 2015	2016-17 2017	2017-18	2018-19 2019	2019-20 2020	2020-21
V. AVERAGE ANNUAL SPECIAL TAX UNDEVELOPED PROPERTY, PER ACRE	\$	3	S	2	8	3	3	3	3	3
NON-RESIDENTIAL PROPERTY, PER ACRE	S	S	8	8	8	8	8	8	S	8
RESIDENTAL PROPERTY, PER UNIT CLASS 1 CUSTOM HOMES	8	8	8	3	8	\$15,349	\$15,656	\$15,969	\$16,288	\$16,614
	9	8	\$8,953	\$9,132	\$8,314	\$9,501	\$9,691	\$9,884	\$10,082	\$10,284
CLASS 3 RESIDENTIAL (4,301 - 4,600 SF) CLASS 4 RESIDENTIAL (3,901 - 4,900 SF)	S S	8 8	\$8,172 \$7.947	\$8,336 \$8,106	\$8,502 \$8,768	\$8,673	\$8,846 \$8,607	\$9,023	\$9,203	\$8,387 \$9,129
	: S	\$7,247	\$7,382	\$7,540	57,691	\$7,844	100'85	\$8,161	\$8,325	\$8,491
CLASS 6 RESIDENTIAL (3,401 - 3,700 SF)	2 5	\$7,121 55,721	\$7,263	\$7,408	\$7,557	\$7,708	\$7,862	\$8,018	\$8,180 27,73	\$8,343 57,557
	8 8	\$6,300	\$6,427	\$6,555	\$6,686	028'98	956,98	\$7,085	\$7,237	27,382
VI. MAXIMUM SPECIAL TAXES UNDEVELOPED PROPERTY	\$1,512,236	\$1,423,062	\$1,177,460	\$648,989	2464,666	(35)	(0\$)	(OS)	(35)	<u> </u>
NON-RESIDENTIAL PROPERTY	8	8	8	8	\$	8	8	8	S	8
RESIDENTIAL PROPERTY CLASS 1 CLISTOM HOMES CLASS 2 RESIDENTIAL I> 4,600 SP	3 3	88	\$0.	345,859	\$0 \$74,515	\$230,234	\$234,839	\$239,536 \$108,729	\$244,326	\$249,213
	S	8	\$49,034	\$108,365	\$178,552	\$260,176	\$265,379	\$270,687	\$276,100	\$281,623
CLASS 4 RESIDENTIAL (3,901 - 4,300 SF)	8 8	25 174	\$15,894	\$40,530	\$56,145 176 833	5101,202	\$103,226 \$716,034	\$105,290	\$107,336	\$100,544 \$770,000
	8 8	\$28,483	\$56,106	\$96,310	\$136,019	\$154,156	\$157,238	\$160,383	\$ 163,591	\$166,863
	S S	\$20,321	\$62,183	\$112,758	\$172,520	\$219,963	\$224,363	\$228,850	\$233,427	\$238,085 \$73,820
SWE	\$1,512,236	\$1,506,209	\$1,465,423	\$1,405,038	\$1,329,476	\$1,350,234	\$1,377,239	\$1,404,784	\$1,432,879	\$1,461,537
VII. DEBT SERVICE COVERAGE.										
GROSS DEBT SERVICE COVERAGE FROM 1ST BOND AND 78 UNITS:	≱ ₹	¥ \$	¥ 2	110.07%	112.27% NA	114.52% NA	116.81% MA	119.14%	123.22%	123.22%
NET DEBT SERVICE COVERAGE **	≨	. ≨	. ≨	≨ ≨	§ <u>\$</u>	≨	≨ ≨	111.06%	115.72%	117.16%
	* HLUDALA SPRIAL TANK IESS (FD ADAMASPRATION, INTOAD BY CROSS DEBT SPRITCE	TES LESS CPD ADMINIST	RATION, INTIDED BY CR	DES DEBT SPRINGS						

" MATOLAN SPECIAL TAKES LESS CPD ADVORMENTATION PLUS RESERVE E EJRYCKS. DI IDED BY GROSS DEBY SEVINCE

2021-22 2022-23 2023-24 2024-25 2022 2023 2024 2025		(0.0) (0.0)	35 35 35 35 35 35 35 35 35 35 35 35 35 3	\$254.197 \$259.281 \$254.467 \$259.756 \$115,365 \$117,092 \$120,046 \$1022.447 \$1317,725 \$1113,099 \$116,249 \$102,447 \$233,042 \$233,119 \$170,046 \$102,447 \$170,200 \$173,004 \$171,076 \$106,18 \$242,867 \$142,004 \$177,076 \$106,18 \$75,257 \$16,003 \$178,004 \$178,005 \$15,007,715 \$1,000,1985 \$1,582,015	NEW BOINDED INDERTEDNESS SECURITE MENT
2025-26 2026-27 2026 2027	\$ \$ \$ \$ \$ \$ \$ \$ \$	(0.0) (0.0) 0.0 0.0 15 11 111 111 27 27 20 20 30 30 15 15 15 15 15 15 16 15 17 17 17 17 27 18 20 19 30 10 10	S S	\$275,151 \$2280,654 \$177,384 \$170,624 \$127,384 \$120,945 \$123,384 \$252,118 \$125,181 \$262,877 \$288,134 \$61,504 \$83,134	\$0 \$1,510,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,278 \$1,310,473 \$1,413,465 \$1
2027-28 2028-29 2028 2029	S S S S S S S S S S S S S S S S S S S	(0.0) (0.0) 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	2 2	\$286,267 \$281,893 \$128,942 \$132,541 \$128,946 \$122,946 \$125,831 \$128,946 \$283,344 \$288,611 \$191,673 \$178,546 \$277,477 \$278,597 \$84,796 \$86,492 \$1,678,847 \$1,772,424	\$10 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$5
202 9 -30 2030	22 22 22	(0.0) (0.0)	3 3	\$237,833 \$236,65 \$130,015 \$130,015 \$273,893 \$108,446 \$284,546 \$284,546 \$1744,672	\$5.000,000
2030-31				\$137,895 \$137,895 \$243,296 \$279,463 \$279,463 \$280,237 \$48,987 \$1,781,606	\$20.00 \$220.619 \$210,034 \$1,446,653 \$1,741 \$2,000 \$2,000,000 \$2,000,000 \$2,000,000 \$2,000,000

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FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS	2021-22 2022	2022-23	2023-24	2024-25	2025-26 2026	2028-27	2027-28 2028	2028-29	2029-30	2030-31
V. AVERAGE ANNUAL SPECIAL TAX UNDEVELOPED PROPERTY, PER AGRE	រួ	3	រ	3	3	3	3	3	3	3
NON-RESIDENTIAL PROPERTY, PER ACRE	8	8	8	3	S	3	33	S	8	8
4	\$16,946	\$17,285	\$17,631	\$17,984	\$18,343	\$18,710	\$19,084	\$18,466	\$19,856	\$20,253
CLASS 2 RESIDENTIAL (* 4,500 SF) CLASS 3 RESIDENTIAL (4,301 - 4,600 SF)	\$10,490	\$10,699	\$10,913 \$9,962	\$11,132 \$10,161	\$11,354 \$10,364	\$11,581	\$11,813	\$12,049	\$12.290	\$12,536
	\$9,311	\$9,497	\$9,687	\$9,881	\$10,079	\$10,280	\$10,486	\$10,696	\$10,910	\$11,128
CLASS 5 RESIDENTIAL (3,701 - 3,800 SF) CLASS 6 RESIDENTIAL (3,401 - 3,700 SF)	\$8,510	\$6,660 \$6,660	88,054 48,654	89.03 10.03	\$9,375	\$9,562 \$9,396	\$9.753 \$6.584	\$9,949 \$1,775	\$10,148	\$10,350
_	\$80,88	\$8,257	\$8,422	\$8,591	58,763	\$8,838	\$9,117	\$9,299	\$9,485	\$9,675
CLASS 8 RESIDENTIAL (<= 2,900 SF)	87,530	\$7,680	\$7,834	\$7,991	\$8,150	\$8,313	\$8,480	\$6,649	\$8,622	\$8,999
VI. MAXIMUM SPECIAL TAXES. UNDEVELOPED PROPERTY	(05)	(O 5)	(05)	(65)	(0\$)	(0\$)	95)	(05)	(35)	<u>(S</u>
NON-RESIDENTIAL PROPERTY	8	8	8	8	8	8	8	8	S	8
4	\$254,197	\$259,281	\$120,046	\$269,756	\$275,151	\$127,394	\$129,942	\$291,863	\$135,191	\$303,789 \$137,895
CLASS 3 RESIDENTIAL (4,301 - 4,500 SF) CLASS 4 RESIDENTIAL (3,901 - 4,300 SF)	\$287,255	\$113,969	\$298,860 \$116,249	\$304,837	\$310,634	\$317,153	\$323,496 \$125,631	\$129,966	\$336,565 \$130 915	\$343,286 \$133 533
	\$233,842	\$238,519	\$243,289	\$248,155	\$253,118	\$258,181	\$263,344	\$268,611	\$273,983	\$279,463
CLASS 6 RESIDENTIAL (2,401 - 3,700 SF) CLASS 7 RESIDENTIAL (2,901 - 3,400 SF)	\$242.857	\$173,604	\$177,076	\$180,618	5164,230	\$187,915	\$191,673	\$185,506	\$199,416 \$284.546	5203,405
_	\$75,287	\$76,803	\$78,339	\$79,905	\$81,504	\$83,134	\$84,796	\$86,492	\$88,222	186,987
TOTAL MAXIMUM SPECIAL TAXES	\$1,490,768	\$1,520,583	\$1,550,995	\$1,582,015	\$1,613,655	\$1,645,928	\$1,678,847	\$1,712,424	\$1,746,672	\$1,781,606
VII. DEBȚ SERVICE COVERAGE.										
GROSS DEBT SERVICE COVERAGE FROM 1ST BOND AND 70 LINITS* GROSS DEBT SERVICE COVERAGE *	123,22%	123.22%	123.22%	123.22%	123.22%	123.22%	123.22%	123.22%	123.22%	123.22%
NET DEBT SERVICE COVERAGE ❖	118,61% 121,13%	121.13%	121.08%	121.08% 121.02%	120.96%	120.91%	120.86%	120.81%	120.76%	120.71%

* AKTURAS (DPECIAL TATES LESS CIPD ADMINISTRATION, DITIDED BI CARES DEST SERI NT. ** AKTURAS ENEZLI, TATES LESS CIPD ADMINISTRATION PLIS RESERI E ENVINNAS, DITIDED BI GROSS DEST SERI N.

FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS 2032	L. CED BONDED INDEBTEDNESS. CUSD OTHER FACILITIES INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJAMSKITE \$0		25.55	II. ABSORPTION - BUILDING PERMITS (as of 1/1). UNDEVELOPED PROPERTY REMAINING UNDEVELOPED ACREAGE CONDEVELOPED NON-RESIDENTIAL PROPERTY CLANUATIVE NON-RESIDENTIAL PROPERTY CLANUATIVE NON-RESIDENTIAL PROPERCE 0.0	จจจจจ	CUMULATIVE RESIDENTIAL LINITS Custom homes based upon land safes, reflere than building permits.	III. MELLO-ROOS SPECIAL TAXES. Indeveloped property special Taxes	NON-RESIDENTIAL PROPERTY SPECIAL TAXES	291'0055 599'0015 599'0015		\$226.042 \$296.042 \$91,786	. •	IV. SPECIAL TAX REQUIREMENT. so ken bonded incented ken sonded incented ken sonded ken ken reserve fund sonded ken ken reserve fund sonded ken ken reserve fund sonded ken ken ken ken reserve fund sonded ken	\$537,355 \$936,231 \$	\$1,475,586 \$1,	(536,047) (536,042) (50,042)	PAY-AS-YOLGO FUNDS (INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJAWSSTE) \$0 PAY-AS-YOLGO FUNDS (CITY OF SAN JUAN CAPISTRANO PUBLIC FACILITIES AND FEES) \$0	\$304,813	13 862,718,13	SG. CUMULATIVE BOND PROCEEDS/PAY-AS-YOU-GO FOR SG. INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJI-VIRS/SITE	93
2012-33 2033-34 2033 2034	8 S	08	3 3	(0.0) (0.0)		•		8	\$316,062 \$322,384 \$143,466 \$146,336 \$357,165 \$384,309				05 05 05	\$548,102 \$559,084 \$956,995 \$976,135	: ••			\$315,	\$1,853,582 \$1,890,654	000'000'98 000'000'98	3
2034-35	3. \$	88		(0.0)				S	\$328,631 \$149,262 \$371,595				88	\$570,246 \$995,658	. •			21.22	\$1,928,467	\$6,000,000	8
2035-36	S S	88	33	(0.0) 0.0	3888228	55 SE	8	8	\$335,408 \$152,248 \$379,027	\$147,432 \$308,550 \$724.575	\$320,445 \$99,352	\$1,967,036	2 2	\$581,650	\$1,597,222	(\$36,002) (\$36,002)	888	\$326,972	\$1,967,036	26,000,000	S
2036-37	S. S.	22	88	(0:0) 0:0	\$ # \$ # \$ # \$ # \$ # \$ # \$ # \$ # \$ # \$ #	551	2	S	\$342,116 \$155,292 \$386,607	\$150,380 \$314,721	\$126,854	12,006,377	9 8	\$583,284	\$1,629,166	(\$28,002) (208,002)	888	\$0 \$332,791	\$2,006,377	96,000,000	S
2037-38	S S	88	88	(0·0)	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	155	8	8	\$348,858 \$158,398 \$394,339	\$153,388 \$321,015 \$773 648	\$333,391 \$103,366	\$2,046,505	88	\$605,149	\$1,661,749	(200'963)	3 S S	5338,727	\$2,046,505	\$6,000,000	S
2038-39 2038	នន	88	22	(0.0)	2583583	55	S	ន	\$355,938 \$161,566 \$402,226	\$156,456 \$327,435 \$238,331	\$340,069 \$105,434	\$2,087,435	S \$	\$617,252 \$1,077,732	\$1,694,984	\$63,677 (\$36,002) \$0	888	\$0 \$344,781	\$2,067,435	\$6,000,000	ş
2039-40	ន្តន	88	22	(0.0)	88872834	5 2 3	ß	8	\$363,056 \$164,798 \$410,271	\$159,585 \$333,984 \$243,088	\$348,860 \$107,542	\$2,129,184	88	\$629,597 \$1,099,287	\$1,728,884	(200'96\$)	888	\$350,857	\$2,129,184	\$6,000,000	8
2040-41	S S	88	88	(0.0)	2182288	551	8	8	\$370,317 \$168,094 \$418,476	\$162,776 \$340,664 \$247,949	\$353,797	\$2,171,767	88	\$642,189 \$1,121,273	\$1,763,462	(\$36,002) \$0 \$0	33	\$357,256	\$2,171,767	\$6,000,000	8

CUSD CFD No. 2005-1 (Whispering Hills): 53

FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS	201-42 2032	2032-43	203-34	2034-35	2035-36	2036-37 2037	2037-38	2036-38	2039-40	2040-41
Y. AVERAGE ANNUAL SPECIAL TAX UNDEVELOPED PROPERTY, PER ACRE	3	3	3	រ	3	3	រ	3	3	3
NON-RESIDENTIAL PROPERTY, PER ACRE	S	3	8	8	S	8	8	S	8	S
RESIDENTIAL PROPERTY, PER UNIT CLASS 1 CUSTOM HOMES	\$20,658	\$21,071	\$21,492	\$21.822	\$22.361	\$22,808	\$23.264	823 228	204.204	524 688
_	\$12,787	\$13,042	\$13,303	\$13,569	\$13,841	\$14,117	\$14,400	\$14,688	\$14,982	\$15,281
CLASS 3 RESIDENTIAL (4,301 - 4,600 SF)	\$11,672	\$11,906	\$12,144	\$12,386	\$12,634	\$12,887	\$13,145	\$13,408	\$13,676	\$13,949
_	\$10.557	\$10.769	\$10.984	\$11.204	\$11.428	\$12,032	\$12,702	\$15,030	\$12,538	\$15,363
_	\$10,374	\$10,581	\$10,793	\$11,009	\$11,229	\$11.453	\$11,682	\$11,916	\$12.154	\$12.397
_	\$98,88	\$10,065	\$10,267	\$10,472	\$10,682	\$10,895	\$11,113	\$11,335	\$11,562	\$11,793
CLASS 8 RESIDENTIAL (<= 2,900 SF)	89,179	\$9,362	\$9,549	\$9,740	\$9,935	\$10.134	\$10,337	\$10,543	\$10,754	\$10,969
VI. MAXIMUM SPECIAL TAXES UNDEVELOPED PROPERTY	(0\$)	()	66	(0 5)	(0\$)	(%)	(0\$)	(05)	99	9
NON-RESIDENTIAL PROPERTY	8	8	8	8	8	S	8	2	8	8
RESIDENTIAL PROPERTY CLASS 1 CLISTOM HOMES	\$308,865	\$316,062	\$322.384	\$328.831	\$335,408	\$342.116	2748 858	\$355 838	8363 056	\$270.317
_	\$140,653	\$143,466	\$146,336	\$149,262	\$152,248	\$155,292	\$158,398	\$161,566	\$154,798	\$168,094
	\$350,162	\$357,165	\$364,309	\$371,595	5379,027	\$386,607	\$384,338	\$402,226	\$410,271	\$418,476
_	\$136,204	\$138,928	\$141,707	\$144,541	\$147,432	\$150,380	\$153,388	\$156,456	\$159,585	\$162,776
	\$285,052	\$280,753	\$286,568	\$302,500	\$308,550	\$314,721	\$321,015	\$327,435	\$333,984	\$340,664
CLASS 6 RESIDENTIAL (3,401 - 3,700 SF)	\$207,473	2211,622	\$215,855	5220,172	\$224,575	\$229,067	\$233,648	\$238,321	\$243,088	\$247,949
-	387,182	\$83,622	\$35,494	\$97.404	\$300,445 \$98,352	\$101,339	\$103,381	\$105.434	\$107.542	\$109,693
TOTAL MAXIMUM SPECIAL TAXES	\$1,817,238	\$1,853,582	\$1,890,654	\$1,928,467	\$1,967,036	\$2,006,377	\$2,046,505	\$2,087,435	\$2,129,184	\$2,171,787
VI. DEBT SERVICE COVERAGE										
GROSS DEBT SERVICE COVERAGE FROM 18T BOND AND 70 UNITS*	122,224 142,124	123.22%	123.22%	123.22%	123.22%	123.22%	123.22%	123.22%	123.22%	123.22%
CACCO COR SERVICE COVERAGE **	200 OCT	XXXXX	718.ZZ.W	118.22%	118.22%	118.22%	118.22%	118.22%	118.22%	118.22%
	TOTAL MEMORY .	ES LESS CPD ADMINISTRA	MENTAL MATERIAL RECORD	# 25-021	K /4.071	120.42 M	# 06.U21	120.547	120.30	407071

" MUDACH SPETUL TAKS LESS CTP JAMBYRTHARN, DITTED BY CHKSI DERF SEPTYE " MUDACH SPETUL TAKS LESS CTP JAMBYRTHARN PLUS PERRY E LANGKE, DATTER BY GHKSS DERF SENTKF Page 8

FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS	2041-42	2042-43	7702	2044 45	2045-46	2046-47	TOTAL
L. CFD BONDED INDEBTEDNESS. CUSD OTHER FACILITIES INCREMENTAL PAYMENT OF PURCHASE PRICE RE: SJAPHS/SITE CITY OF SAN JUBAY CAPISTRANO PUBLIC FACILITIES & FEES OTHER CITY FACILITIES TOTAL FINANCED PUBLIC FACILITIES	\$ \$ \$ \$ \$ \$ 1	នន នន ន	88 88 8	22 22 2:	88 88 8	88 88 88	\$2,483,578 \$5,788,656 \$3,384,061 \$458,736
II. ABSORPTION - BUILDING PERMITS (as of 1/1) • UNDEVELOPED PROPERTY REMAINING UNDEVELOPED ACREAGE DEVELOPED NON-RESIDENTIAL PROPERTY CLASLIATIVE NON-RESIDENTIAL ROPERTY CLASS 1 CUSTOM HOMES CLASS 1 RESIDENTIAL (A) 01 + 4600 SF) CLASS 3 RESIDENTIAL (A) 01 + 4600 SF) CLASS 3 RESIDENTIAL (A) 01 + 300 SF) CLASS 5 RESIDENTIAL (A) 01 + 300 SF) CLASS 6 RESIDENTIAL (A) 01 - 3400 SF) CLASS 6 RESIDENTIAL (B) 01 - 3400 SF) CLASS 7 RESIDENTIAL (B) 01 - 3400 SF) CLASS 7 RESIDENTIAL (B) 01 - 3400 SF) CLASS 8 RESIDENTIAL (B) 01 - 3400 SF)	(0.0) (0.0) 0.0 11 11 12 27 27 27 27 27	6. 9. 5. t & 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2.	6 8 278228	(0.0) (0.0) 11 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	0. 0. 27.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2	0.0 0.2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	3
CUMALILATIVE RESIDENTIAL UNITS * Cardian harmes based upon bard saske, rather than badding permits. III. MELLO-ROOS SPECIAL TAXES UNDEVELOPED PROPERTY SPECIAL TAXES	35. œ	35 3 8	रहें %	\$ 8	<u>និ</u> ខ	द्धे %	≨ %
NON-RESIDENTIAL PROPERTY SPECIAL, TAXES RESIDENTIAL PROPERTY SPECIAL TAXES CLASS 1 CLUSTOM HOMES CLASS 3 RESIDENTIAL (4, 4600 SF) CLASS 3 RESIDENTIAL (4, 301 - 4,800 SF) CLASS 6 RESIDENTIAL (3, 301 - 3,900 SF) CLASS 6 RESIDENTIAL (3, 301 - 3,900 SF) CLASS 7 RESIDENTIAL (3, 301 - 3,900 SF) CLASS 8 RESIDENTIAL (5, 301 - 3,900 SF) CLASS 8 RESIDENTIAL (5-2,900 SF) CLASS 7 RESIDENTIAL (5-2,900 SF)	\$37,724 \$17,456 \$426,846 \$166,022 \$347,477 \$252,908 \$252,908 \$111,877	\$105,278 \$174,885 \$435,383 \$169,383 \$354,477 \$257,886 \$186,191 \$114,125	\$301,418 \$136,819 \$134,616 \$132,401 \$277,281 \$201,817 \$38,781 \$41,767,687	\$400,043 \$181,950 \$452,972 \$176,194 \$268,745 \$182,952 \$118,735 \$118,735	\$408,860 \$185,593 \$462,002 \$176,178 \$276,120 \$121,110	\$0 \$247,376 \$112,288 \$279,546 \$102,573 \$165,633 \$73,276 \$1,450,763	\$0,485,973 \$4,46,468 \$11,096,850 \$1,296,612 \$1,06,428 \$6,677,030 \$1,66,428 \$2,850,649 \$2,850,649
N. SPECIAL TAX REQUIREMENT NEW BONDED INDEBTEDNESS NEW RESERVE FUND ANNUAL DEST SERVICE - SERIES A ANNUAL DEST SERVICE - SERIES B ANNUAL DEST SERVICE - SERIES B ANNUAL GEST SERVICE - CAN DEST SERVICE RE SIMHSSTE PAY-AS-YOL-CO FUNDS (CITY OF SAN JUAN CAPISTRANO OTHER CITY FACILITIES AND FEES) REMAINING PAR-AS-YOL-CO FUNDS TO CUSD NET ANNUAL DEBT SERVICE CUMULATIVE BOND PROCEDSPAY-AS-YOL-CO FOR INCREMENTAL PAYMENT OF PURCHASE PRICE RE. SIMHSSTE	505 5665,033 51,143,688 51,798,792 505,002	\$0 \$666,134 \$1,166,572 \$1,834,706 \$1,834,002 \$0 \$0 \$2,234,002 \$2,236,507 \$2,236,507 \$2,000,000	(\$5,370,000) (\$537,000) \$641,485 \$1,168,904 \$1,168,904 \$2,237 \$2,237 \$2,237 \$2,504 \$3,000,000 \$2,000,000	\$0 \$1.213,702 \$1.213,702 \$1.213,702 \$1.213,702 \$0 \$0 \$0 \$1.086,245 \$2,380,791 \$4.000,000	\$0 \$1,237,976 \$1,237,976 \$1,237,976 \$2,333,333 \$0 \$0 \$1,087,102 \$2,337,806 \$6,000,000	(\$9.50,000) (\$985,000) \$1.262,735 \$12.62,735 \$10,600,763 \$1,108,376 \$1,489,763	\$15,320,000 \$1,522,000 \$15,719,266 \$2,493,72,846 \$2,493,72,846 \$1,020,676 \$1,020,676 \$1,020,676 \$1,020,676 \$1,020,676 \$1,020,676 \$1,020,676 \$1,020,676 \$1,020,676 \$1,020,676
ANNUAL SURPLUS(DEFICIT) CUMULATIVE SURPLUS(DEFICIT)	38	8 8	88	3 S	3 3	3 8	\$ \$

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FISCAL YEAR - COLLECTION OF TAXES CALENDAR YEAR - PAYMENTS TO BOND HOLDERS	2041-42	2042-43	2043-44	2044-45	2045-46	2048-47	TOTAL	
V. AVERAGE ANNUAL SPECIAL TAX UNDEVELOPED PROPERTY, PER ACRE	3	3	:	3	3	S	ş	
NON-RESIDENTIAL PROPERTY, PER ACRE	8	3	8	3	95	9	ž	
RESIDENTIAL PROPERTY, PER UNIT CLASS 1 CLSTOM HOMES CLASS 2 RESIDENTIAL (> 4,600 SF)	\$25,182	\$25,685	\$20,085	\$26,723	\$27,257	\$16,482	½ ½	
	\$14,228	\$14,513	\$11,354	\$15,089	\$15,401	\$9,318	¥ ¥	
	\$12,870	\$13,127	\$10,270	\$13,657	\$13,830	\$8,428	Ž	
CLASS 0 RESIDENTIAL (3,401 = 3,100 of) CLASS 7 RESIDENTIAL (2,901 - 3,400 of)	\$12,029	\$12,270	\$6,589	\$12,765	\$13,000	\$7.878	ž ž	
	\$11,189	\$11,412	\$6,928	\$11,874	\$12,111	\$7,328	ž	
YI, MAXIMUM SPECIAL TAXES. UNDEVELOPED PROPERTY	(05)	(O <u>\$</u>)	(05)	(os)	(OS)	ç	\$8,362,511	
NON-RESIDENTIAL PROPERTY	8	\$	S	0 \$	8	8	S	
RESIDENTIAL PROPERTY CLASS 1 CUSTOM HOMES CLASS 2 RESIDENTIAL (\$ 4,600 SF) CLASS 2 RESIDENTIAL (\$ 4,400 SF) CLASS 3 RESIDENTIAL (\$ 4,400 SF)	\$377,724 \$171,455 \$429,846	\$385,278 \$174,885 \$435,383	\$392,984 \$178,382 \$444,090	\$400,843 \$181,950	\$408,860 \$185,589 \$467,037	\$417,038 \$169,301 \$471,272	\$9,757,201 \$4,567,044 \$11,362,050	
	\$166,032	\$169,353	\$172,740	\$176,194	\$179,718	\$183,313	\$4,411,437	
CLASS RESIDENTIAL (3,701 - 3,900 SF)	\$347,477	\$354,427	\$361,515	\$368,745	\$376,120	\$383,643	\$9,346,738	
	\$360,873	\$368,091	\$375,453	\$382,962	\$390,621	\$398,433	\$9,689,709	
CLASS 8 RESIDENTIAL (<= 2,900 SF)	\$111,887	\$114,125	\$116,407	\$118,735	\$121,110	\$123,532	\$3,028,029	
TOTAL MAXIMUM SPECIAL TAXES	\$2,215,203	\$2,259,507	\$2,304,697	\$2,350,791	\$2,397,806	\$2,445,763	\$67,376,655	
VIL DEBL SERVICE COVERAGE. GROSS DEBT SERVICE COVERAGE FROM 1ST BOND AND 70 UNITS:	#22.E21	123.22%	123.22%	ž	ž	ž	ş	
GROSS DEBT SERVICE COVERAGE. MET DEBT SERVICE COVERAGE.	118.22%	118.22%	118.22%	185.92%	185,92%	185.92%	₹ ₹	
NET DEBT SERVICE CONTRACT	3	ILEAL TO M	TON DITTOED BY	GROSS DESIT SERVICE	2		<u> </u>	

• JANDACH (BPETAL TAKES LESS CPD ADABNETRATION PATIDED BI GROSS DEBT SERVICE •• JANDACH (BPETAL TAKES LESS CPD ADABNETRATION PLAS RESERVE E EMPARAS, DITIDED BI GROSS DEBT SERVICE

EXHIBIT "E"

DESCRIPTION OF SCHOOL FACILITIES

DESCRIPTION OF SCHOOL FACILITIES

K-12 School Facilities

K-12 school sites and facilities ("School Facilities") with a useful life of at least five (5) years, including classrooms, ancillary facilities, and on-site office space at such School Facilities; additionally, furniture, equipment and technology with a useful life of at least five (5) years at such School Facilities, including modernization, rehabilitation, technology upgrades, acquisition of capacity in existing school facilities funded by other community facilities districts, consistent with applicable law, and as further described in the Resolution of Intention to Establish CFD No. 2005-1.

Other School Facilities

Central support and administrative facilities, including lease rental payments therefor and reimbursement by Special Taxes of CFD No. 2005-1 of advanced special tax funding from other community facilities districts as to proportionate allocations thereof, as well as interim housing and transportation facilities with a useful life of at least five (5) years; additionally, furniture, equipment and technology with a useful life of at least five (5) years, all as further described in the Resolution of Intention to Establish CFD No. 2005-1.

EXHIBIT "F"

GOALS AND POLICIES

[ATTACHED]

MELLO ROOS DISTRICTS

CAPISTRANO UNIFIED SCHOOL DISTRICT STATEMENT OF LOCAL GOALS AND POLICIES CONCERNING THE USE OF THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, AS AMENDED

Pursuant to Section 53312.7 of the California Government Code, the Board of Trustees of the Capistrano Unified School District (hereafter the "Board") hereby states its goals and policies concerning the use of Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (hereafter the "Act") in providing adequate school housing, facilities and equipment for future students of the Capistrano Unified School District ("CUSD"). The following goals and policies shall apply to all community facilities districts (each a "CFD") hereafter formed by CUSD. Any policy or goal stated herein may be supplemented or amended or deviated from upon a determination by the Board that such supplement, amendment or deviation is necessary or desirable, and any policy or goal stated herein shall be deemed amended or supplemented in the event, and as of the date, if ever, that such amendment or supplement is required to ensure compliance with the Act or any other laws of the State of California or federal laws of the United States of America.

I. <u>Priority that Various Kinds of Public Facilities Shall have for Financing Through the Use</u> of the Act.

It is the policy of CUSD to give first priority to the provision of school facilities through the use of the Act. It is secondarily the policy of CUSD to assist in the provision of other public facilities when to do so will, in the sole discretion of the Board acting as the legislative body of the affected CFD, result in a savings to taxpayers residing within or owning property within the CUSD boundaries.

II. <u>Credit Quality to be Required of Bond Issues, Including Criteria to be Used in Evaluating the Credit Quality.</u>

It is the policy of CUSD to refrain from the issuance of any CFD bonds unless at the time of issuance of any CFD bonds, (i) special tax revenues from that CFD are reasonably expected to provide at least 110% debt service coverage for each year of the term of such bonds; and (ii) such CFD establishes, and covenants to cause special taxes to be levied in an amount sufficient to maintain, for the term of such bonds (provided, however, that depletion may occur to pay debt service in the last 2 years of such term), a reserve fund securing such bonds in an amount equaling the lowest of (1) ten percent (10%) of the original proceeds of such bonds, or (2) the largest amount, for any bond year during the term of such bonds, of principal and interest payable on such bonds, or (3) one hundred twenty-five percent (125%) of the average amount payable, for any bond year, of principal and interest on the outstanding bonds of such bond issue. Further, it is the policy of CUSD to comply with all provisions of the Act including, but not limited to, Section 53345.8, as such Section may be amended from time to time. If the criteria set forth above are met, such bond issues need not be rated by nationally-recognized rating agencies.

MELLO ROOS DISTRICTS
Capistrano Unified School District
Statement Of Local Goals And Policies
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Adopted: August 16, 1993 Revised: May 12, 2008 BP 7212 Attachment A

III. Steps to be Taken to Ensure that Prospective Property Purchasers are Fully Informed About Their Taxpaying Obligations.

It is the goal of CUSD that all taxpayers residing within, or owning property within, the boundaries of a Mello-Roos district heretofore or hereafter established by CUSD will receive the form of notice required by Section 53341.5 of the Act, at the time set forth therein, as such Section may be amended from time to time. In order to comply with this goal, it is the policy of CUSD to provide Section 53340.2 notice of special tax to any individual requesting such notice or any owner of property subject to a special tax levied by CUSD within five working days of receiving a request for such notice.

IV. Criteria for Evaluating the Equity of Tax Allocation Formulas, and Concerning Desirable and Maximum Amounts of Special Tax to be Levied Against Any Parcel.

It is the goal of CUSD that each taxpayer residing within, or owning property within, the boundaries of any CFD hereafter established by CUSD pay special taxes which reflect, as nearly as practicable, such taxpayer's fair and reasonable share of their projected benefit from, and/or burden upon, the facilities to be financed by such CFD. It is the goal of CUSD that maximum Mello-Roos special taxes on residential owner-occupied property, when taken together with ad valorem taxes, any other special taxes levied pursuant to the Act and assessments applicable to such property, do not exceed in any year two percent (2%) of the greater of the assessed value or appraised value of such property. Nevertheless, special taxes on residential owner-occupied property, when taken together with ad valorem taxes, any other special taxes levied pursuant to the Act and assessments applicable to such property, may exceed in any year two percent (2%) of the greater of the assessed value or appraised value of such property if CUSD determines at the time of formation of a CFD that over the term of the bonds, the special taxes, ad valorem taxes and assessments are expected to average two percent (2%) or less per year of the greater of the assessed value or appraised value of such property. It is further the policy of CUSD to comply with the provisions of Section 53321 of the Act with respect to the escalation of maximum taxes.

V. <u>Definitions, Standards, and Assumptions to be Used in Appraisals Required by Section</u> 53345.8.

General

The appraiser undertaking the appraisal of real property in connection with the issuance of bonds of a CFD formed by CUSD shall be designated an MAI, Member of the Appraisal Institute, at the time of appraisal. He/she shall be an independent appraiser contractor and represent himself/herself to be well qualified to perform the appraisal services required. Such appraiser shall certify that he/she is thoroughly familiar with the recognized and acceptable appraisal methods, techniques and Standards of Professional Practice and Code of Ethics as set forth by the Appraisal Institute and Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation.

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In the preparation of the appraisal report the appraiser shall follow professional appraisal practices utilizing such methods and approaches to value as are appropriate for the specific property being appraised. Should certain approaches to value, or requirements covered in these specifications, not be applicable to the assignment at hand, the appraiser can fulfill the obligation herein by identifying that approach or requirement together with a brief explanation of its omission (i.e., an appraisal involving land only).

Generalizations and unsupported assumptions by the appraiser relating to the existence of infrastructure, utilities, improvements, grading, access, soil conditions, topography, etc., and/or an estimated Highest and Best Use which differs from the present or permitted use and zoning are unsatisfactory in reports to be submitted relating to the issuance of CFD bonds. These items must be confirmed or justified by patterns of growth and demand trends, as indicated in the area, city and neighborhood analyses. As a minimum, the appraisal report must comply with the appraisal requirements set forth below.

The appraiser should use precise definitions of terms, as some readers of appraisals are from outside the real estate profession. Examples of definitions include bulk acreage sales, bulk discounts, aggregate retail value, quick sale valuation, etc.

Appraisal Criteria.

A. The definitions to be used in appraisals required by Section 53345.8 of the Act shall include, but shall not be limited to, the following:

"Market Value" means the most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, for which the appraised property will sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Fundamental assumptions and conditions presumed in this definition are:

- 1. Buyer and seller are motivated by self-interest.
- 2. Buyer and seller are will-informed and are acting prudently.
- 3. The property is exposed for a reasonable time on the open market.
- 4. Payment is made in cash, its equivalent, or in specified financing terms.
- 5. Specified financing, if any, may be the financing actually in place or on terms generally available for the property type in its locale on the effective appraisal date.
- 6. The effect, if any, on the amount of market value of atypical financing, services, or fees shall be clearly and precisely revealed in the appraisal report.

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Capistrano Unified School District
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"Scope of the Appraisal" means it is the intent of the appraisal that all appropriate data considered pertinent in the valuation of the subject property be collected, confirmed and reported in conformity with the Uniform Standards of Professional Appraisal Practice.

"As Is" means the state of development of the subject property and the level of entitlements obtained with respect to the subject property as of the date of value of the appraisal.

"Fee Simple Interest" means absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.

- B. The standards to be used in Appraisals required by Section 53345.8 of the Act are as follows:
 - 1. the appraisal shall be prepared by an appraiser licensed by the State of California at the time of appraisal; and
 - 2. the appraisal shall be prepared for the purposes of publication by any of CUSD, an underwriter or an authorized purchaser of bonds in connection with the contemplated CFD financing; and
 - 3. the appraisal shall be consistent with a market absorption study, prepared by an experienced market absorption analyst, with respect to the development of the property which is the subject of the appraisal; and
 - 4. the appraiser shall be the agent of CUSD rather than the agent of any developer in the subject CFD.
- C. The assumptions to be used in the Appraisals required by Section 53345.8 of the Act shall include, but shall not be limited to, the following:
 - 1. Title to the property is assumed to be good and marketable unless otherwise stated.
 - 2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
 - 3. Responsible ownership and competent property management are assumed.
- D. The contents of the appraisal report shall include, but shall not be limited to, the following:
 - 1. Statement of Limiting Conditions and Assumptions.

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Capistrano Unified School District
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- 2. Certification of Appraiser and Permission to Reproduce and Use Report as Required for Bond Issuance.
- 3. Purpose of Appraisal This shall include the reason for the appraisal, a definition of all values required, and property rights appraised.
- 4. Primary Assumption The appraiser will process the valuation of subject properties assuming only improvements which are completed as of the date of value or for which current financing has been irrevocably obtained, e.g., proceeds of current bond issue.
- 5. Legal Description This description shall be complete so as to properly identify the property appraised.
- 6. Property Data All information pertinent to the current state of the property shall be considered.
- 7. Zoning Describe the zoning for the subject and comparable properties and if rezoning is imminent, discuss further.
- 8. Analysis of Highest and Best Use The report shall state and support the highest and best use to which a property can be put and recognize that land is appraised as though vacant and available for development to its highest and best use, and the improvements are based on their actual contribution to the site. If the highest and best use is based on a "Land Use" study provided by the developer, the appraiser's investigation and study supporting the conclusion that said land use is reasonable must be included in the report.
- 9. Proposed Construction The report shall describe the construction in the manner proposed by the developer, based on the appraiser's study of construction drawings and/or interviews with engineers and architects responsible for project design which support such construction.
- 10. Sales Comparison Approach to Value
 - a. Land Direct Comparison The appraiser's opinion of the value of the land shall be supported by confirmed sale prices of comparable, or nearly comparable, lands having like optimum uses.
 - b. Subdivision or Developmental Approach All variables contained within this approach shall be appropriately supported.
 - (1) Costs of Development Land: Direct Costs

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Capistrano Unified School District

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All land improvement costs shall either be estimated by developer's independent civil engineer or, if based upon "in-house" estimates, these costs shall be presented in the report in sufficient detail so that they may be reviewed by a qualified civil engineer.

Estimates made by appraiser or "rules of thumb" are not acceptable.

- (2) Costs of Improvement Structures Appraisers shall check for reasonableness the developer's costs of constructing structures for work in progress and cite sources of cost data.
- (3) Discount Rates Appraisals should have an adequate discussion and support/reasoning for discount rate derivation.
- 11. Value Estimate; Cost Approach, if Applicable This section shall be in the form of computation data, arranged in sequence beginning with reproduction or replacement cost, and shall state the name of the source of all cost estimates (i.e., engineering firm, contractor, cost estimating service, etc.).

The dollar amounts of physical depreciation and functional and economic obsolescence, or the omission of same, shall be explained in narrative form.

- 12. Income Approach to Value This approach should include a discussion on the leasing (rental) status of subject property (i.e., percent occupied, rental rates, concessions, terms, rental adjustments, etc.).
- 13. Mass Appraisal Techniques It may be appropriate for projects that have built-out and occupied product to use mass appraisal techniques.
- 14. Interpretation and Correlation of Estimates The appraiser shall interpret the foregoing estimates and shall state his/her reasons why one or more of the conclusions reached in Items 10 through 13 are indicative of the market value of the property.
- 15. Value Allocations Appraiser should report values by ownerships or assessor parcel numbers. In CFDs where production units have been built and sold/occupied, these separate ownerships may be grouped together by logical categories (e.g., by tract, etc.).

These value allocations are necessary for preparation of the Official Statement for bond sale offerings.

16. Exhibits — The appraisal report must contain sufficient exhibits to assist the reader in understanding the appraisal.

VI. Priority Access Policy.

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Capistrano Unified School District
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Adopted: August 16, 1993 Revised: May 12, 2008 It is the goal of CUSD that priority attendance access to a CFD-financed school is given to students, to the extent provided by law, residing in such CFD, where the residents of such CFD have paid special taxes which have, in whole or in part, financed the construction of such CFD facilities. The degree of priority shall reflect the proportion of each school's financing provided through the CFD. (Government Code 53312.7).

Because annual enrollment growth cannot be accurately predicted, it may not be possible to guarantee all CFD residents space in CFD-funded schools. Consequently, the goal of providing a direct benefit to CFD taxpayers may come into conflict with other concerns which must be balanced by the Board. The Superintendent shall develop regulations to determine the manner in which the CFD priority shall be determined for District schools. Those regulations shall incorporate this policy, other considerations allowed by law, and other applicable board policies such as the District's attendance boundary and residency policies, federal, state, or court mandates; transportation needs, safe pedestrian routes; grade level for which facilities were designed; and ensuring students' continuity of schooling within any single school year. For reasons which may include, but shall not be limited to, those set forth above, the Board may deny access to CFD-financed schools to any student.

Nevertheless, unless the Board determines that overriding reasons exist for denying such access, it is the policy of CUSD that any student living within a CFD shall be allowed the option of attending a school constructed with Mello-Roos special taxes of that CFD.

The proceeds of any bonds, notes or other securities issued pursuant to the Mello-Roos Community Facilities Act shall be deposited or invested in accordance with Government Code 53356.03.

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