

**NEW ISSUE
BOOK-ENTRY ONLY**

NOT RATED

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the 2015 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the 2015 Bonds is exempt from State of California personal income tax. See "CONCLUDING INFORMATION – Tax Matters" herein.

\$27,665,000
CITY OF TUSTIN
COMMUNITY FACILITIES DISTRICT NO. 2014-1
(TUSTIN LEGACY/STANDARD PACIFIC)
SPECIAL TAX BONDS, SERIES 2015A

Dated: Date of Delivery

Due: September 1, as shown on inside cover

The City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) Special Tax Bonds, Series 2015A (the "2015 Bonds") are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (constituting Section 53311 et seq. of the California Government Code) (the "Law") and an Indenture of Trust (the "Indenture"), dated as of November 1, 2015, by and between the City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) (the "District") and The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee.

Proceeds of the 2015 Bonds will be used to finance certain infrastructure improvements and school facilities authorized to be funded by the District. The 2015 Bonds are payable from Net Special Tax Revenues derived from the levy of the Special Taxes (as such capitalized terms are defined in the Indenture) on real property located within the boundaries of the District, and are secured by a pledge of all of the Net Special Tax Revenues and moneys deposited in certain funds established under the Indenture.

The 2015 Bonds when issued will be registered in the name of Cede & Co., as 2015 Bondowner and nominee for the Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the 2015 Bonds will be made in book-entry only form. The 2015 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. See Appendix G – The Book Entry System herein. Interest on the 2015 Bonds is payable March 1 and September 1 of each year, commencing March 1, 2016.

The 2015 Bonds are subject to optional redemption, mandatory redemption from prepayments of special taxes and mandatory sinking fund redemption, all as more fully described herein. See "THE 2015 BONDS – Optional Redemption," "– Mandatory Redemption from Prepayments of Special Taxes," and "– Mandatory Sinking Payment Redemption" herein.

NEITHER THE FAITH AND CREDIT NOR ANY TAXING POWER OF THE CITY OF TUSTIN, OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE 2015 BONDS. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE 2015 BONDS. THE 2015 BONDS ARE NOT OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET SPECIAL TAX REVENUES AND AMOUNTS IN CERTAIN FUNDS ESTABLISHED UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN.

This cover page contains certain information for quick reference only. It is not a complete summary of the terms of this bond issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the 2015 Bonds. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of certain risk factors that should be considered, in addition to the other matters discussed herein, in considering the investment quality of the 2015 Bonds.

MATURITY SCHEDULE
(see inside cover)

The 2015 Bonds are being offered when, as and if issued by the District, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the District by Woodruff, Spradlin & Smart, A Professional Corporation, Costa Mesa, California, acting as the City Attorney of the City of Tustin, and by Quint & Thimmig LLP, Larkspur, California, acting as Disclosure Counsel, and for the Underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California, acting as Underwriter's Counsel. Delivery of the 2015 Bonds is expected to occur through the facilities of DTC on or about November 5, 2015.

STIFEL

The date of this Official Statement is October 21, 2015.

\$27,665,000
CITY OF TUSTIN
COMMUNITY FACILITIES DISTRICT NO. 2014-1
(TUSTIN LEGACY/STANDARD PACIFIC)
SPECIAL TAX BONDS, SERIES 2015A

Maturity Schedule

\$10,410,000 Serial Bonds; CUSIP Prefix: 901047†

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u> <u>Suffix†</u>	<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u> <u>Suffix†</u>
2016	\$305,000	2.00%	101.146	EK2	2026	\$ 485,000	5.00%	113.350 ^C	EV8
2017	110,000	2.00	101.364	EL0	2027	540,000	5.00	112.372 ^C	EW6
2018	140,000	3.00	103.874	EM8	2028	600,000	5.00	111.491 ^C	EX4
2019	170,000	4.00	107.551	EN6	2029	670,000	5.00	110.706 ^C	EY2
2020	210,000	4.00	107.904	EP1	2030	735,000	5.00	109.927 ^C	EZ9
2021	245,000	4.00	108.134	EQ9	2031	810,000	3.75	97.774	FA3
2022	285,000	4.00	107.918	ER7	2032	880,000	4.00	100.000	FB1
2023	330,000	5.00	114.072	ES5	2033	950,000	4.00	99.365	FC9
2024	375,000	5.00	114.563	ET3	2034	1,030,000	4.00	98.692	FD7
2025	430,000	5.00	114.610	EU0	2035	1,110,000	4.00	97.982	FE5

\$7,040,000 5.00% Term Bonds due September 1, 2040 Price 106.960^C% CUSIP 901047 FF2†

\$10,215,000 5.00% Term Bonds due September 1, 2045 Price 106.378^C% CUSIP 901047 FG0†

^C Priced to the optional redemption date of September 1, 2025 at par.

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

The information contained in this Official Statement has been obtained from sources that are believed to be reliable. No representation, warranty or guarantee, however, is made by the Underwriter as to the accuracy or completeness of any information in this Official Statement, including, without limitation, the information contained in the Appendices, and nothing contained in this Official Statement should be relied upon as a promise or representation by the Underwriter.

Neither the District nor the Underwriter has authorized any dealer, broker, salesperson or other person to give any information or make any representations with respect to the offer or sale of 2015 Bonds other than as contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by the District or the Underwriter. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2015 Bonds shall under any circumstances create any implication that there has been no change in the affairs of any party described in this Official Statement, or in the status of any property described in this Official Statement, subsequent to the date as of which such information is presented.

This Official Statement and the information contained in this Official Statement are subject to amendment without notice. The 2015 Bonds may not be sold, and no offer to buy the 2015 Bonds may be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the 2015 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

All summaries of the documents referred to in this Official Statement are qualified by the provisions of the respective documents summarized and do not purport to be complete statements of any or all of such provisions.

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

In connection with the offering of the 2015 Bonds, the Underwriter may overallocate or effect transactions that stabilize or maintain the market prices of the 2015 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2015 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

The 2015 Bonds have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption from the registration requirements contained in the Securities Act. The 2015 Bonds have not been registered or qualified under the securities laws of any state.

The City of Tustin maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

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CITY OF TUSTIN, CALIFORNIA⁽¹⁾

City Council

Charles E. "Chuck" Puckett, Mayor
John Nielsen, Mayor Pro Tem
Elwyn A. Murray, Councilmember
Rebecca "Beckie" Gomez, Councilmember
Dr. Allan Bernstein, Councilmember

City Officials

Jeffrey C. Parker, City Manager
Pamela Arends-King, Finance Director and City Treasurer
Sean Tran, Administrative Services Manager

PROFESSIONAL SERVICES

City Attorney

Woodruff, Spradlin & Smart,
A Professional Corporation
Costa Mesa, California

Bond Counsel

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

Municipal Advisor

Fieldman, Rolapp & Associates
Irvine, CA

Appraiser

Harris Realty Appraisal
Newport Beach, California

Special Tax Consultant and

Dissemination Agent
Albert A. Webb Associates
Riverside, California

Market Absorption Consultant

Empire Economics, Inc.
Capistrano Beach, California

Disclosure Counsel
Quint & Thimmig LLP
Larkspur, California

Trustee

The Bank of New York
Mellon Trust Company, N.A.
Los Angeles, California

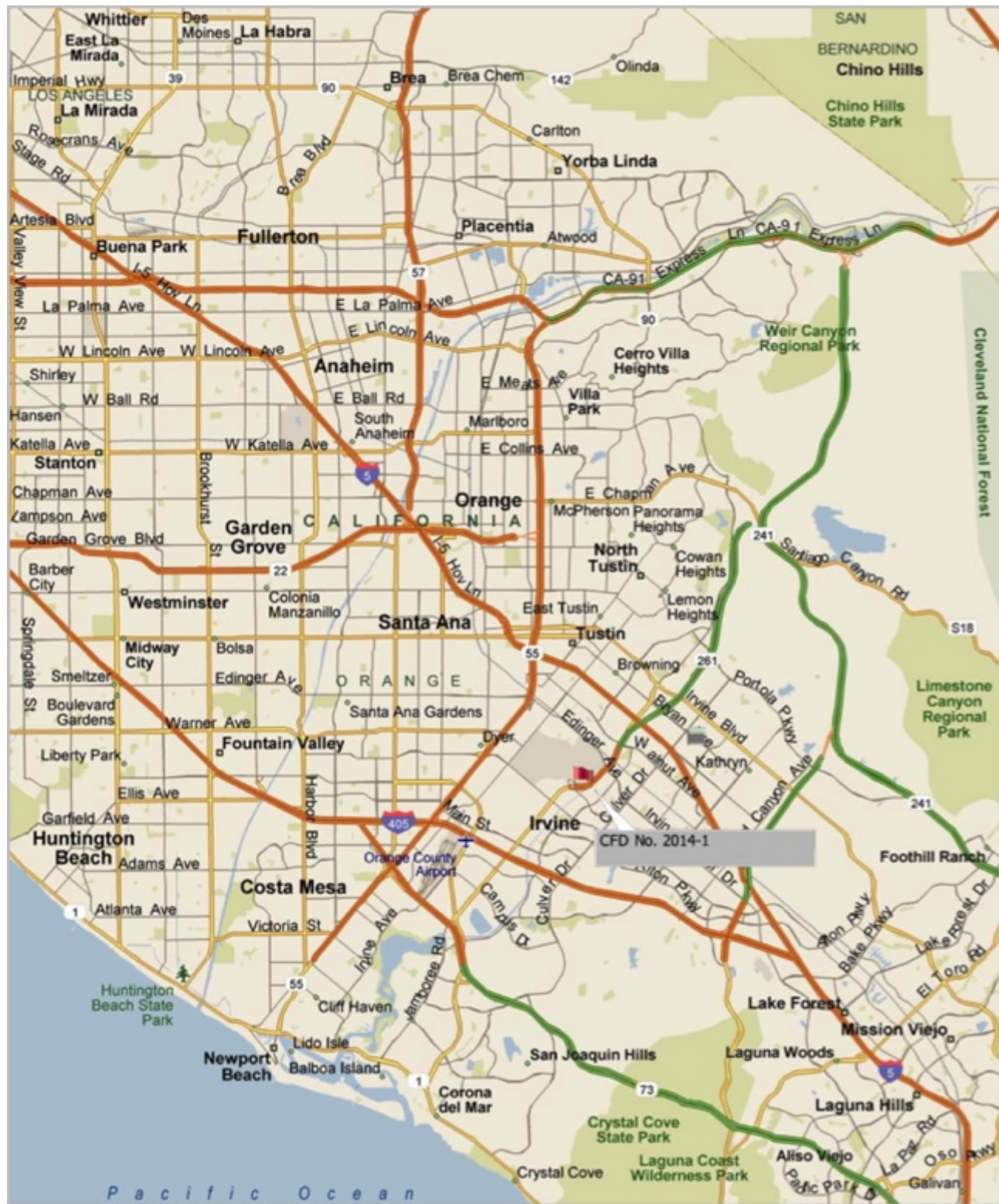
(1) The City Council of the City of Tustin acts as the legislative body of the City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific), and City Staff provide administrative services for the District.

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REGIONAL LOCATION MAP



\$27,665,000
CITY OF TUSTIN
COMMUNITY FACILITIES DISTRICT NO. 2014-1
(TUSTIN LEGACY/STANDARD PACIFIC)
SPECIAL TAX BONDS, SERIES 2015A

This Official Statement, including the cover page and appendices hereto, sets forth certain information concerning the issuance by the City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) (the "District"), of its City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) Special Tax Bonds, Series 2015A (the "2015 Bonds").

INTRODUCTION

General

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in this entire Official Statement, including the cover page and appendices hereto, and the documents summarized or otherwise described herein. A full review should be made of this entire Official Statement and such documents prior to making an investment in the 2015 Bonds. The sale and delivery of the 2015 Bonds to potential investors is made only by means of the entire Official Statement.

The 2015 Bonds are being issued under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (constituting Section 53300 et seq. of the California Government Code) (the "Law"), and an Indenture of Trust, dated as of November 1, 2015 (the "Indenture"), between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings given to them in the Indenture. See Appendix A – Summary of the Indenture.

Authority for Issuance

Under the Law, the City Council (the "City Council") of the City of Tustin, California (the "City") is authorized to establish a community facilities district and act as the legislative body for the proposed district. Subject to approval by a two-thirds vote of the qualified electors voting, and compliance with the provisions of the Law, the City Council, acting as the legislative body of the district, may authorize the issuance of bonds by the district, and the levy and collection of a special tax within such district to repay such indebtedness.

Pursuant to the Law, on May 6, 2014, the City Council adopted resolutions stating its intention to establish the District and to incur bonded indebtedness for the District. On June 17, 2014, the City Council adopted resolutions pursuant to which the District was formed, bonded indebtedness in an aggregate principal amount not to exceed \$29,000,000 was determined necessary for the District and an election was called pursuant to the Law. The sole owner of the land within the District at the time of the election, the City, voted in favor of the incurrence of bonded indebtedness in a principal amount not to exceed \$29,000,000 to finance certain infrastructure and other improvements to be owned by the City (the "City Facilities"), as well as certain school facilities (the "School Facilities," and together with the City Facilities, the "Facilities") to be owned by the Tustin Unified School District (the "School District"), in each case as authorized to be funded by the District. The landowner/voter also voted in favor of the levy of a Special Tax A (referred to in this Official Statement as the "Special Tax") on certain property in the District to pay the principal and interest on the 2015 Bonds to be issued to

finance the Facilities, to pay administrative expenses of the District, and to make any replenishments to the Reserve Fund consistent with the Rate and Method of Apportionment of Special Tax for the District (referred to in this Official Statement as the "Special Tax Formula"). The Special Tax Formula also provides for the levy of a Special Tax B on property in the District to pay annual costs of certain services the District is authorized to fund and related administrative expenses, but the Special Tax B is not in any way pledged to the payment of debt service on the 2015 Bonds and will not be used for that purpose. See "THE COMMUNITY FACILITIES DISTRICT – Rate and Method of Apportionment of Special Tax," and "– Authorized Facilities" herein.

The 2015 Bonds were authorized to be issued by Resolution No. 14-60 adopted by the City Council on September 16, 2014 (the "Resolution of Issuance"), and on October 6, 2015 the City Council adopted a Resolution approving a revised version of the Indenture, as well as a Preliminary Official Statement and the preparation of a final Official Statement for the 2015 Bonds. The 2015 Bonds are being issued pursuant to the Resolution of Issuance, the Law and the Indenture. When used in this Official Statement, the term "2015 Bonds" means the initial series of the bonds to be issued under the Indenture, and the term "Bonds" means, collectively, the 2015 Bonds and any Additional Bonds issued and outstanding under and as such capitalized term is defined in the Indenture. See "SECURITY FOR THE BONDS – Additional Bonds Only for Refundings."

Application of Proceeds

Proceeds of the 2015 Bonds will be used to make deposits to a City Facilities Account and a School Facilities Account established within the Improvement Fund, to fund a reserve fund for the 2015 Bonds, to pay the costs of issuance of the 2015 Bonds, and to provide funds to pay administrative expenses of the District. See "THE FINANCING PLAN – Sources and Uses of Funds." The proceeds of the 2015 Bonds deposited to the City Facilities Account and the School Facilities Account of the Improvement Fund will be used to pay costs of City Facilities and the School Facilities, respectively, authorized to be funded by the District. See "THE COMMUNITY FACILITIES DISTRICT – Authorized Facilities."

The Development

The District's boundaries encompass an approximately 78.2 acre site for a proposed residential community currently identified as Greenwood in Tustin Legacy (the "Development"). The District and the Development are located in the southerly portion of the City within an area known as Tustin Legacy which was formerly the Tustin Marine Corps Air Station (the "MCAS"), and the Development is one of the phases of development of the former MCAS. The portion of the MCAS located in the City and certain adjacent property is being developed as an approximately 1,511 gross acre master planned community called Tustin Legacy. Approximately 95 acres of the former MCAS are located in the City of Irvine.

The Development is expected to include, at buildout, 375 detached single family homes. CalAtlantic Group, Inc., a Delaware corporation formerly known as Standard Pacific Corp. (the "Developer"), purchased the property comprising the Development from the City on August 15, 2014. The Developer plans to construct 298 of the homes planned for the Development with three product types. On February 9, 2015, the Developer entered into a contract with Brookfield Homes Southern California LLC, a Delaware limited liability company ("Brookfield Homes") which is a wholly owned subsidiary of Brookfield Residential Properties Inc., to sell lots for 77 homes expected to be constructed in the Development by an affiliate of Brookfield Homes with a fourth product type. Concurrent with that contract, the Developer and Brookfield Homes entered into an agreement for site development, license and model home and unit construction, granting Brookfield Homes the right to construct homes on the 77 lots prior to acquiring such lots from the Developer, subject to certain terms and conditions. On August 26, 2015,

Brookfield Homes assigned its rights under the contract to Brookfield Huntley 77 LLC, a Delaware limited liability company ("Brookfield Huntley"), a wholly-owned subsidiary of Brookfield Homes. The sale of the lots to Brookfield Huntley is to occur in several "takedowns," with the first three takedowns (consisting of 28 lots) having been completed on August 28, 2015, and a fourth takedown (consisting of 13 additional lots) having been completed on September 23, 2015. The lots were conveyed in a finished lot condition. The remaining 36 lots are the subject of three future takedowns of 14 lots, 13 lots and 9 lots, respectively, which are expected to occur, subject to various conditions, between November of 2015 and May of 2016. No assurance can be given that future takedowns will occur as currently expected.

The Developer is currently constructing infrastructure improvements in the Development, which construction commenced in October, 2014, and is expected to be completed by February of 2016. Model home construction for each of the four home product types to be built for the Development, or a total of twelve model homes, has been completed and the model homes were opened to the public on May 29, 2015. Several construction phases were underway as of September 1, 2015, with a total of 123 homes (in addition to the completed twelve model homes) under construction as of such date. Sales of homes is ongoing, with 112 homes subject to contracts of sale as of September 1, 2015, and closings to individual home buyers of homes in all four product types expected to begin in November, 2015. No assurance can be given that construction and home sales activities will continue and be completed as currently projected by the Developer and Brookfield Homes. Also, sales contracts are subject to cancellation by home buyers, so closings for all homes currently the subject of sales contracts may not occur. For more information regarding the Development, see "THE DEVELOPER AND THE DEVELOPMENT – The Development."

Description of the 2015 Bonds

The 2015 Bonds will be issued and delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the 2015 Bonds (the "Beneficial Owners") in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. See "THE 2015 BONDS – Description of the 2015 Bonds" and Appendix G – The Book Entry System. *So long as the 2015 Bonds are in book-entry-only form, all references in the Official Statement to the owners or holders of the 2015 Bonds shall mean DTC and not the Beneficial Owners of the 2015 Bonds.*

The 2015 Bonds are subject to optional redemption and mandatory redemption as described herein. For more complete descriptions of the 2015 Bonds and the Indenture pursuant to which they are being issued and delivered, see "THE 2015 BONDS" and Appendix A – Summary of the Indenture.

Sources of Payment for the 2015 Bonds

Under the Indenture, the 2015 Bonds are payable from the Net Special Tax Revenues. As used in this Official Statement, "Special Taxes" means the Special Tax (which is the Special Tax A under the Special Tax Formula, see "INTRODUCTION – Authority for Issuance") levied by the City Council within the District under the Law, the ordinance of the City providing for the levy of the Special Taxes, and the Indenture. The term "Special Tax Revenues" means the proceeds of the Special Taxes received by the District, including any prepayments thereof, interest and penalties thereon, proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes and proceeds of any security for payment of Special Taxes taken in lieu of foreclosure after payment of administrative costs and attorney's fees payable from proceeds of such redemption, sale or security. The term "Net Special Tax

Revenues” means Special Tax Revenues, less amounts required to pay Administrative Expenses of the District in any Fiscal Year not in excess of \$30,000 per Fiscal Year escalating two percent (2%) each July 1, beginning July 1, 2016 (the “Administrative Expense Cap”). Under the Indenture, the District has agreed to repay the 2015 Bonds from the Net Special Tax Revenues collected and received by the District, and from amounts on deposit in certain funds established under the Indenture. See “SECURITY FOR THE 2015 BONDS” and Appendix A – Summary of the Indenture.

In the event that the Special Taxes are not paid when due, the only other source of funds to repay the 2015 Bonds will be the amounts held by the Trustee in certain of the funds established under the Indenture, including amounts held in the Reserve Fund and the proceeds, if any, from foreclosure sales of land with delinquent Special Taxes. A portion of the proceeds of the 2015 Bonds equal to the initial Reserve Requirement will be deposited in the Reserve Fund, which may be drawn upon as needed to pay the scheduled debt service on the Bonds, in accordance with the provisions of the Indenture. Amounts in the Reserve Fund may also be used to redeem Bonds in conjunction with prepayments of Special Taxes and to pay rebate payments to the federal government. See “SECURITY FOR THE 2015 BONDS – Reserve Fund” and Appendix A – Summary of the Indenture.

Land Value

In connection with the offering and sale of the 2015 Bonds, the City has been furnished with an initial appraisal report (the “Initial Appraisal Report”) prepared by Harris Realty Appraisal (the “Appraiser”), dated June 15, 2015, and an Updated Appraisal Report (the “Updated Appraisal Report”, and together with the Initial Appraisal Report, the “Appraisals”), dated September 24, 2015. The Initial Appraisal Report summarized the Appraiser’s conclusion that the Market Value, as defined in the Initial Appraisal Report, of the property within the District, as of June 1, 2015, was \$140,800,000. The Updated Appraisal Report, which states that it is to be used in conjunction with the Initial Appraisal Report, but which has a self-contained Valuation section due to significant changes in home construction since the Initial Appraisal Report, summarizes the Appraiser’s conclusion that the Market Value, as defined in the Updated Appraisal Report, of the property in the District, as of September 1, 2015, was \$178,215,000. See “SECURITY FOR THE 2015 BONDS – Land Value,” and Appendix C – Initial Appraisal Report and Updated Appraisal Report. The valuation in the Initial Appraisal Report was based on a bulk sale methodology, representing a discounted value for the property in the District due to the single ownership by the Developer of the land in the District as of the June 1, 2015 date of value for the Initial Appraisal Report. However, the Updated Appraisal Report acknowledged the conveyance of 28 lots by the Developer to Brookfield Huntley, and took into account the site development and dwelling unit construction conditions as of September 1, 2015, including the twelve completed model homes and the 123 homes under construction as of such date. See Appendix C – Initial Appraisal Report and Updated Appraisal Report.

The Appraisals contain various assumptions and conditions and they should be read in their entirety by those interested in an investment in the 2015 Bonds. Complete copies of the Appraisals are included in Appendix C – Initial Appraisal Report and Updated Appraisal Report. In conducting the Initial Appraisal Report, the Appraiser took into account certain matters set forth in a Market Absorption Study, dated May 18, 2015 (and revised on June 15, 2015) prepared by Empire Economics, Inc. for the City. In connection with the Updated Appraisal Report, the Appraiser took into account the Market Absorption Study, as revised on September 21, 2015, to reflect current prices for and sales of homes in the Development. A complete copy of the Market Absorption Study, as updated on September 21, 2015, is included in Appendix D hereto.

See "SECURITY FOR THE BONDS – Land Value" for various tables indicating value to lien ratios by development status and product type of the homes permitted and expected to be constructed in the District.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, subject, however, to certain qualifications set forth in its opinion, under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the 2015 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, Bond Counsel notes that, with respect to corporations, such interest (and original issue discount) may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the 2015 Bonds is exempt from State of California personal income tax. A copy of the form of Bond Counsel's opinion is set forth in Appendix B hereto. Although Bond Counsel is of the opinion that interest on the 2015 Bonds is excluded from federal gross income, the accrual or receipt of interest on the 2015 Bonds may otherwise affect a Bondowner's federal income tax liability. The nature and extent of these other consequences will depend upon the owner's particular tax status and the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences. See "CONCLUDING INFORMATION – Tax Matters" herein.

Continuing Disclosure

The District and the Developer each have agreed to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") maintained by the Municipal Securities Rulemaking Board certain annual financial and other information. The District and the Developer each have further agreed to provide notice of certain enumerated events, and the Developer has agreed to provide mid-year reports with certain limited information. The Developer's annual, mid-year and enumerated event reporting obligations will terminate if and when the Developer is no longer a "Major Developer" as defined in the Continuing Disclosure Agreement to which it is a party. Major Developer includes the Developer and any Affiliate if they own property in the District that has not reached the Planned Development Stage (as such capitalized terms are defined in the Developer's Continuing Disclosure Agreement) that is subject to twenty percent (20%) or more of the Special Tax levy for the then current fiscal year. The Continuing Disclosure Agreement of the District is being executed by the District in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. See "CONCLUDING INFORMATION – Continuing Disclosure" and Appendix H – Forms of Continuing Disclosure Agreements herein for a description of the specific nature of the reports to be filed by the District and the Developer, and the notices of material events to be provided by the District and the Developer.

Risk Factors

The purchase of the 2015 Bonds involves certain risks which should be considered by prospective Bond purchasers. See "SPECIAL RISK FACTORS" herein for a partial description of such risks.

Limited Liability

Although the unpaid Special Taxes constitute liens on parcels within the District, they do not constitute a personal indebtedness of the Developer or any future property owners or homeowners. There is no assurance that any landowner or homeowner will be financially able

to pay the Special Taxes levied on their property in the District, or that they will pay the Special Taxes even though financially able to do so.

NEITHER THE FAITH AND CREDIT NOR ANY TAXING POWER OF THE CITY OF TUSTIN, OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE 2015 BONDS. THE 2015 BONDS ARE NOT OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET SPECIAL TAX REVENUES AND FROM AMOUNTS IN CERTAIN FUNDS ESTABLISHED UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN.

Professionals Involved in the Offering

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, will serve as Trustee for the 2015 Bonds and perform the functions required of the Trustee under the Indenture. The firm of Fieldman, Rolapp & Associates, Irvine, California, is the Municipal Advisor to the City for the financing. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, is acting as Bond Counsel to the District. Certain legal matters will be passed upon for the District by Woodruff, Spradlin & Smart, A Professional Corporation, Costa Mesa, California, acting as the City Attorney, and by Quint & Thimmig LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California, Underwriter's Counsel. Payment of the fees and expenses of Bond Counsel, Disclosure Counsel, the Municipal Advisor and Underwriter's Counsel is contingent upon the sale and issuance of the 2015 Bonds.

The Appraisals were prepared by Harris Realty Appraisal, Newport Beach, California. Empire Economics, Inc., Capistrano Beach, California, prepared the Market Absorption Study and the updates thereto for the City. Albert A. Webb Associates, Riverside, California, acted as special tax consultant for the District and will serve as the initial dissemination agent under the Continuing Disclosure Agreements of the District and the Developer.

Additional Information

Brief descriptions of the 2015 Bonds, the security for the 2015 Bonds, certain special risk factors, the District, the City, the Developer, Brookfield Homes, the Development and other information are included in this Official Statement, together with summaries of certain provisions of the 2015 Bonds, the Indenture and other documents. Such descriptions and information do not purport to be comprehensive or definitive. The descriptions herein of the 2015 Bonds, resolutions and other documents are qualified in their entirety by reference to the complete text thereof and the information with respect thereto included in the Indenture. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights.

Unless the context clearly requires otherwise, capitalized terms used but not defined in this Official Statement have the meanings given to them in the Indenture, some of which are set forth in Appendix A hereto.

Copies of the Indenture, and the resolutions and other documents described or referred to herein may be obtained, upon written request to the City of Tustin, 300 Centennial Way, Tustin, California 92780, Attention: City Clerk. The City may charge for the duplication and mailing of documents.

THE FINANCING PLAN

Overview

The net proceeds of the 2015 Bonds will be deposited to two accounts, a City Facilities Account and a School Facilities Account, established within the Improvement Fund under the Indenture. Amounts deposited to the City Facilities Account will be used to reimburse the City for infrastructure improvements that already have been completed by the City and to pay costs of additional improvements being constructed by the City that the District is authorized to fund. Amounts deposited to the School Facilities Account will be used to finance various facilities for the School District pursuant to a School Facilities Implementation, Funding and Mitigation Agreement, entered into as of August 25, 2015, by the District, the City and the School District, and a Joint Community Facilities Agreement, entered into as of August 24, 2015, by the City, the School District and the Developer. The amount to be deposited to the School Facilities Account has been calculated to be sufficient to satisfy in a lump sum payment the School District's impact fees attributable to the homes being constructed and to be constructed on the 375 lots in the Development. See "THE FINANCING PLAN – Sources and Uses of Funds" and "THE COMMUNITY FACILITIES DISTRICT – Authorized Facilities."

While the Indenture allows for the issuance of Additional Bonds secured on a parity with the 2015 Bonds under the Indenture, any such Additional Bonds may only be issued to refund Bonds (including the 2015 Bonds) previously issued under the Indenture and to pay related costs of issuance of such Additional Bonds and to make any deposit to the Reserve Fund required under the Additional Bonds provisions of the Indenture. See "SECURITY FOR THE 2015 BONDS – Additional Bonds Only for Refundings."

The Special Tax is authorized to be imposed on the land within the District pursuant to the Special Tax Formula at rates which, within the limits of the maximum Special Tax, are expected to be sufficient to pay the interest on, and principal of and mandatory sinking fund account payments for, the 2015 Bonds as they become due and payable, and to pay the Administrative Expenses as they become due and payable in accordance with the provisions in the Indenture. See "THE COMMUNITY FACILITIES DISTRICT – Rate and Method of Apportionment of Special Tax." When used in this Official Statement, "Special Tax" means only the "Special Tax A," as defined in the Special Tax Formula, and does not include the "Special Tax B" as defined therein. See "SECURITY FOR THE 2015 BONDS – Pledge of Net Special Tax Revenues" and "THE COMMUNITY FACILITIES DISTRICT – Rate and Method of Apportionment of Special Tax."

Sources and Uses of Funds

The sources and uses of funds in connection with the 2015 Bonds are expected to be as follows:

Source of Funds

Principal Amount of Bonds	\$ 27,665,000.00
<i>Plus:</i> Net Original Issue Premium	1,672,978.20
<i>Less:</i> Underwriter's Discount	<u>(207,225.00)</u>
Total Sources	\$ 29,130,753.20

Application of Funds

Deposit to City Facilities Account of the Improvement Fund ⁽¹⁾	\$ 18,341,931.39
Deposit to School Facilities Account of the Improvement Fund ⁽²⁾	8,015,558.82
Deposit to Reserve Fund ⁽³⁾	2,353,262.99
Deposit to Costs of Issuance Fund ⁽⁴⁾	390,000.00
Deposit to Administrative Expense Fund ⁽⁵⁾	<u>30,000.00</u>
Total Uses	\$ 29,130,753.20

(1) To be used to pay costs of the City Facilities. See "THE COMMUNITY FACILITIES DISTRICT – Authorized Facilities."

(2) To be used to pay costs of the School Facilities. See "THE COMMUNITY FACILITIES DISTRICT – Authorized Facilities."

(3) An amount equal to the initial Reserve Requirement. See "SECURITY FOR THE 2015 BONDS – Reserve Fund."

(4) To be used to pay Costs of Issuance, including fees and expenses of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Trustee, the Appraiser, the Absorption Consultant and the City, printing expenses and other costs related to the issuance of the 2015 Bonds.

(5) To be used to pay Administrative Expenses of the District.

Scheduled Annual Debt Service for the 2015 Bonds

The table below sets forth the scheduled annual debt service payments on the 2015 Bonds, assuming no optional redemption or mandatory redemption from prepayments of Special Taxes of the 2015 Bonds.

<u>Year Ending September 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 305,000.00	\$ 1,076,350.56	\$ 1,381,350.56
2017	110,000.00	1,302,975.00	1,412,975.00
2018	140,000.00	1,300,775.00	1,440,775.00
2019	170,000.00	1,296,575.00	1,466,575.00
2020	210,000.00	1,289,775.00	1,499,775.00
2021	245,000.00	1,281,375.00	1,526,375.00
2022	285,000.00	1,271,575.00	1,556,575.00
2023	330,000.00	1,260,175.00	1,590,175.00
2024	375,000.00	1,243,675.00	1,618,675.00
2025	430,000.00	1,224,925.00	1,654,925.00
2026	485,000.00	1,203,425.00	1,688,425.00
2027	540,000.00	1,179,175.00	1,719,175.00
2028	600,000.00	1,152,175.00	1,752,175.00
2029	670,000.00	1,122,175.00	1,792,175.00
2030	735,000.00	1,088,675.00	1,823,675.00
2031	810,000.00	1,051,925.00	1,861,925.00
2032	880,000.00	1,021,550.00	1,901,550.00
2033	950,000.00	986,350.00	1,936,350.00
2034	1,030,000.00	948,350.00	1,978,350.00
2035	1,110,000.00	907,150.00	2,017,150.00
2036	1,195,000.00 ⁽¹⁾	862,750.00	2,057,750.00
2037	1,295,000.00 ⁽¹⁾	803,000.00	2,098,000.00
2038	1,400,000.00 ⁽¹⁾	738,250.00	2,138,250.00
2039	1,515,000.00 ⁽¹⁾	668,250.00	2,183,250.00
2040	1,635,000.00 ⁽¹⁾	592,500.00	2,227,500.00
2041	1,760,000.00 ⁽¹⁾	510,750.00	2,270,750.00
2042	1,895,000.00 ⁽¹⁾	422,750.00	2,317,750.00
2043	2,035,000.00 ⁽¹⁾	328,000.00	2,363,000.00
2044	2,185,000.00 ⁽¹⁾	226,250.00	2,411,250.00
2045	2,340,000.00 ⁽¹⁾	117,000.00	2,457,000.00
Totals:	<u>\$27,665,000.00</u>	<u>\$28,478,625.56</u>	<u>\$56,143,625.56</u>

⁽¹⁾ Indicates a scheduled mandatory sinking payment redemption. See "THE 2015 BONDS – Mandatory Sinking Payment Redemption."

THE 2015 BONDS

Authority for Issuance

The District has been established under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the "Law"). The District is authorized to incur bonded indebtedness in an amount not to exceed \$29,000,000 pursuant to provisions of the Law. The propositions related to the incurring of the indebtedness, the levying of the Special Tax and the establishment of an appropriations limit for the District were submitted to and approved by the City, as the sole owner of the property in the District at the time of the election, on June 17, 2014. On September 16, 2014, the City Council, acting as the legislative body of the District, adopted Resolution No. 14-60 (the "Resolution of Issuance") authorizing the issuance of the 2015 Bonds. On October 6, 2015, the City Council adopted a Resolution approving a revised version of the Indenture as well as a Preliminary Official Statement and the preparation of a final Official Statement for the 2015 Bonds. The Special Tax Formula and the amount of the Special Tax that can be collected from the land within the District is more fully described in the section herein entitled "THE COMMUNITY FACILITIES DISTRICT – Rate and Method of Apportionment of Special Tax."

The 2015 Bonds will be issued pursuant to the Law, the Indenture and the Resolution of Issuance. The 2015 Bonds are secured under the Indenture.

Description of the 2015 Bonds

The 2015 Bonds will be dated as of the date of initial delivery of the 2015 Bonds, and will mature in the principal amounts, and will bear interest at the respective rates shown on the inside cover page hereof. Interest on the 2015 Bonds will be payable on each March 1 and September 1, commencing March 1, 2016 (each an "Interest Payment Date"). Interest on the 2015 Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The 2015 Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2015 Bonds. Individual purchasers of the 2015 Bonds (the "Beneficial Owners") will not receive 2015 Bonds representing their interest. **So long as Cede & Co. is the registered owner of the 2015 Bonds, as nominee of DTC, references herein to the "owners" of the 2015 Bonds means Cede & Co. as aforesaid, and does not mean the Beneficial Owners of the 2015 Bonds.** Upon receipt of payments of principal or interest on the 2015 Bonds, DTC is to remit such principal or interest to the DTC Participants (as such term is herein defined) for subsequent disbursement to the Beneficial Owners of the 2015 Bonds. See Appendix G – The Book Entry System. Purchases of the 2015 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof.

Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon shall be payable from such Interest Payment Date, (b) it is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (c) interest on any Series 2015 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. "Record Date" is defined in the Indenture as the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

Interest on the 2015 Bonds shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the 2015 Bonds at their respective addresses shown on the Registration Books for the 2015 Bonds maintained by the Trustee as of the close of business on the preceding Record Date, or by wire transfer at the written request of an Owner of not less than \$1,000,000 aggregate principal amount of 2015 Bonds, which written request is received by the Trustee on or prior to the Record Date. The principal of the 2015 Bonds shall be payable upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee. The principal and interest of the 2015 Bonds are payable in lawful money of the United States of America.

Optional Redemption

The 2015 Bonds maturing on or after September 1, 2026 are subject to optional redemption, in whole or in part, on any Interest Payment Date on or after September 1, 2025, from any source of available funds, at a Redemption Price equal to the principal amount of the 2015 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Redemption from Prepayment of Special Taxes*

The 2015 Bonds are subject to mandatory redemption, in whole or in part, on any Interest Payment Date on or after March 1, 2016, from and to the extent of any prepaid Special Taxes deposited in the Redemption Fund established under the Indenture and corresponding transfers from the Reserve Fund for the 2015 Bonds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the 2015 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Dates	Redemption Price
March 1, 2016 through March 1, 2023	103%
September 1, 2023 and March 1, 2024	102
September 1, 2024 and March 1, 2025	101
September 1, 2025 and any Interest Payment Date thereafter	100

For a description of the provisions of the Special Tax Formula that allow for the prepayment of Special Taxes, see Appendix E – Rate and Method of Apportionment of Special Tax.

Mandatory Sinking Payment Redemption

The 2015 Bonds maturing on September 1, 2040 (the “2040 Term Bonds”) are subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 2036, at a Redemption Price equal to the principal amount of the 2040 Term Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (September 1)	Principal Amount to be Redeemed
2036	\$1,195,000
2037	1,295,000
2038	1,400,000
2039	1,515,000
2040 (maturity)	1,635,000

The 2015 Bonds maturing on September 1, 2045 (the “2045 Term Bonds”) are subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 2041, at a Redemption Price equal to the principal amount of the 2045 Term Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

<u>Sinking Fund Redemption Date (September 1)</u>	<u>Principal Amount to be Redeemed</u>
2041	\$1,760,000
2042	1,895,000
2043	2,035,000
2044	2,185,000
2045 (maturity)	2,340,000

The amounts in the foregoing tables will be reduced in the manner specified in the Indenture as a result of any prior partial redemption of any of the 2040 Term Bonds or the 2045 Term Bonds pursuant to the optional redemption or mandatory redemption from Special Tax prepayment provisions of the Indenture. See “THE 2015 BONDS – Optional Redemption,” and “THE 2015 BONDS – Mandatory Redemption from Prepayment of Special Taxes” above.

Selection of Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the 2015 Bonds, the Trustee shall select the 2015 Bonds to be redeemed from all 2015 Bonds not previously called for redemption (a) with respect to any optional redemption of 2015 Bonds, among maturities of 2015 Bonds as directed in a Written Request of the District, (b) with respect to any mandatory redemption from special tax prepayments and the corresponding provision of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a pro rata basis as nearly as practicable, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued; and in any event by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, all 2015 Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate 2015 Bonds which may be separately redeemed.

Notice of Redemption

The Trustee on behalf of the District will mail (by first class mail) notice of any redemption to the respective Owners of any 2015 Bonds designated for redemption at least 30 but not more than 60 days prior to the date fixed for redemption. Each notice will state the date of the notice, the redemption date, the redemption place and the Redemption Price and will designate the CUSIP numbers, if any, the 2015 Bond numbers and the maturity or maturities of the 2015 Bonds to be redeemed (except in the event of redemption of all of the 2015 Bonds of such maturity or maturities in whole), and will require that such 2015 Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such 2015 Bonds will not accrue from and after the date fixed for redemption. The Indenture provides that neither the failure to receive any notice so mailed, nor any defect in such notice, will affect the validity of the proceedings for the redemption of the 2015 Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

The Indenture also provides that, with respect to any notice of any optional redemption of 2015 Bonds, unless at the time such notice is given the 2015 Bonds to be redeemed shall be

deemed to have been paid as provided in defeasance provisions of the Indenture, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of, and accrued interest on, the 2015 Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the District shall not be required to redeem such 2015 Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of 2015 Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

Effect of Redemption

The Indenture provides that, if on the date fixed for redemption of 2015 Bonds, moneys for the Redemption Price of all the 2015 Bonds to be redeemed, together with interest to the applicable redemption date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as specified in the Indenture and not canceled, then, from and after the redemption date, interest on the 2015 Bonds to be redeemed shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of 2015 Bonds is to be held in trust for the account of the Owners of the 2015 Bonds so to be redeemed without liability to such Owners for interest thereon.

Transfer and Registration

Any 2015 Bond may, in accordance with its terms, be transferred upon the Registration Books maintained by the Trustee by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2015 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any 2015 Bond or 2015 Bonds are surrendered for transfer, the District will execute and the Trustee will authenticate and will deliver a new 2015 Bond or 2015 Bonds of the same maturity in a like aggregate principal amount, in any authorized denomination. The Trustee will require the Owner requesting such transfer pay any tax or other governmental charge required to be paid with respect to such transfer.

The 2015 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of 2015 Bonds of the same maturity of other authorized denominations. The Trustee will require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee will not be obligated to make any transfer or exchange of 2015 Bonds during the period established by the Trustee for the selection of 2015 Bonds for redemption, or with respect to any 2015 Bonds selected for redemption.

Discontinuation of Book Entry Only System

Initially, The Depository Trust Company ("DTC") will act as securities depository (the "Depository") for the 2015 Bonds. See Appendix G – The Book Entry System. The Indenture provides that, in the event the District determines that it is in the best interests of the Beneficial Owners that they be able to obtain certificated 2015 Bonds and that such 2015 Bonds should therefore be made available, and notifies the Depository and the Trustee of such determination, the Depository will notify the Participants of the availability through the Depository of certificated 2015 Bonds. In such event, the Trustee shall transfer and exchange certificated 2015 Bonds as requested by the Depository and any other Owners in appropriate amounts.

In the event (i) DTC determines not to continue to act as securities depository for the 2015 Bonds, or (ii) DTC will no longer so act and gives notice to the Trustee of such determination, then the District shall discontinue the Book-Entry system with DTC. If the District determines to replace DTC with another qualified securities depository, the District will prepare or direct the preparation of a new single, separate, fully-registered 2015 Bond for each maturity date of the 2015 Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the District fails to identify another qualified securities depository to replace DTC, then the 2015 Bonds shall no longer be restricted to being registered in the Registration Books in the name of the Nominee of DTC, but shall be registered in whatever name or names the Owners transferring or exchanging the 2015 Bonds shall designate. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the 2015 Bonds held in book-entry form to any Participant having such 2015 Bonds credited to its account with the Depository, and (ii) to arrange for another securities depository to maintain custody of certificates evidencing the 2015 Bonds.

SECURITY FOR THE 2015 BONDS

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, in order to secure the payment of the principal of, premium, if any, and interest on the 2015 Bonds and any Additional Bonds in accordance with their terms, the provisions of the Indenture and the Law, under the Indenture the District pledges to the Owners of the Bonds, and grants thereto a lien on and a security interest in, all of the Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. Said pledge constitutes a first lien on and security interest in such assets. See Appendix A – Summary of the Indenture for a description of the Special Tax Fund and the Bond Fund. The Reserve Fund is described under the subheading “Reserve Fund” below, and otherwise in Appendix A – Summary of the Indenture.

Limited Liability

NEITHER THE FAITH AND CREDIT NOR ANY TAXING POWER OF THE CITY OF TUSTIN, OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE 2015 BONDS. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE 2015 BONDS. THE 2015 BONDS ARE NOT OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET SPECIAL TAX REVENUES AND AMOUNTS IN CERTAIN FUNDS ESTABLISHED UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN.

Pledge of Net Special Tax Revenues

In accordance with provisions of the Law, the District was established by the City Council on June 17, 2014. On June 17, 2014, the City, as the sole owner at that time of all of the land within the District, voted to incur a bonded indebtedness in an amount not to exceed \$29,000,000 to finance the Facilities, said indebtedness to be secured by a pledge of the Net Special Tax Revenues. At the same time, the City approved the levy of the Special Tax as provided in the Rate and Method of Apportionment of the Special Tax (referred to in this Official Statement as the “Special Tax Formula”), to pay the principal and interest on the Bonds, to pay the administrative expenses of the District, and to replenish the Reserve Fund to the Reserve Requirement, all consistent with the Special Tax Formula, the Law and the Resolution of Issuance. The Special Taxes Revenues will be transferred by the District to the Trustee for deposit by the Trustee in the Special Tax Fund established under the Indenture as soon as practicable after they have been received by the District. See Appendix A – Summary of the Indenture.

As stated above, under the Indenture the District pledges, and grants a lien on and security interest in, the Net Special Tax Revenues to secure the payment of the Bonds. The Indenture defines the “Special Taxes” as the special taxes described in the Special Tax Formula as “Special Tax A” levied within the Community Facilities District pursuant to the Act, the Ordinance and the Indenture. The “Special Taxes” do not include the “Special Tax B” referred to in the Special Tax Formula. The Indenture defines the “Special Tax Revenues” as proceeds of the Special Taxes received by or on behalf of the District, including any prepayments thereof, interest and penalties thereon, proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes and proceeds of any security for payment of Special Taxes taken in lieu of foreclosure after payment of administrative costs and attorneys’ fees payable from proceeds of such redemption, sale or security. The Indenture defines the “Net Special Tax Revenues” as the Special Tax Revenues, less amounts required to pay Administrative Expenses of the District not in excess of the Administrative Expenses Cap in any

Fiscal Year, and the Indenture defines the “Administrative Expense Cap” as \$30,000 per Fiscal Year, escalating two percent (2%) each July 1, beginning July 1, 2016.

The District has covenanted in the Indenture to levy the Special Taxes during each Fiscal Year in accordance with the Special Tax Formula, the Ordinance, the Indenture and the Law. Specifically, the Indenture provides that prior to August 1 of each year, the District shall ascertain from the Orange County Assessor the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. The District shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 10 that the Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next real property tax roll. The Special Tax to be levied each fiscal year will be determined according to the Special Tax Formula. See “THE COMMUNITY FACILITIES DISTRICT – Rate and Method of Apportionment of Special Tax” and Appendix E – Rate and Method of Apportionment of Special Tax. The District has provided the Auditor with the Special Tax levy on Taxable Property in the District for fiscal year 2015-16, which is expected to appear on the property tax bills sent out by the County for such fiscal year.

The Indenture further provides that the District shall fix and levy the amount of Special Taxes within the District each Fiscal Year in accordance with the Special Tax Formula and, subject to the limitations in the Special Tax Formula as to the maximum Special Tax that may be levied, in an amount sufficient to yield Special Tax Revenues in the amount required for (a) the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the Bond Year commencing in such Fiscal Year, (b) any necessary replenishment of the Reserve Fund, and (c) the payment of Administrative Expenses estimated to be required to be paid from such Special Tax Revenues, taking into account the balances in the funds and accounts established under the Indenture. The Indenture provides that Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Although the Special Tax will constitute a lien on property subject to taxation within the District, it does not constitute a personal indebtedness of the owner of such property. There is no assurance that the landowners and homeowners will be financially able to pay the annual Special Tax or that they will pay such tax even if financially able to do so. The risk of the Developer, or subsequent landowners or homeowners, not paying the annual Special Tax is more fully described in “SPECIAL RISK FACTORS – Insufficiency of Special Tax Revenues.”

Land Value

The City has been furnished with the Initial Appraisal Report prepared by the Appraiser dated June 15, 2015, and with the Updated Appraisal Report prepared by the Appraiser dated September 24, 2015. The Initial Appraisal Report summarized the Appraiser’s conclusion that the Market Value, as defined therein, of the property within the District that is subject to the levy of the Special Tax, as of June 1, 2015, was \$140,800,000. The Updated Appraisal Report, which states that it is to be used in conjunction with the Initial Appraisal Report, but which has a self-contained Valuation section due to significant changes in home construction since the Initial Appraisal Report, summarizes the Appraiser’s conclusion that the Market Value, as defined in the Updated Appraisal Report, of the property in the District, as of September 1, 2015, was \$178,215,000. See Appendix C – Initial Appraisal Report and Updated Appraisal Report. The valuation in the Initial Appraisal Report was based on a bulk sale methodology, representing a discounted value for the property in the District due to the single ownership by

the Developer of the land in the District as of the June 1, 2015 date of value for the Initial Appraisal Report. However, the Updated Appraisal Report took into account the site development and dwelling unit construction conditions as of September 1, 2015, including the twelve completed model homes and the 123 homes under construction as of such date.

The Appraiser's estimate of the "Market Value" of the property in the District on which the Special Tax is levied as reflected in the Updated Appraisal Report is approximately 6.44 times the initial principal amount of the 2015 Bonds. Property in the District is also subject to certain overlapping indebtedness. See "SPECIAL RISK FACTORS – Direct and Overlapping Indebtedness."

The Appraisals are subject to certain contingencies and limiting conditions which are set forth in detail in the Appraisals in Appendix C and which should be reviewed carefully. In conducting the Initial Appraisal Report, the Appraiser took into account certain matters set forth in a Market Absorption Study, dated May 18, 2015 (and revised on June 15, 2015) prepared by Empire Economics, Inc. for the City. In connection with the Updated Appraisal Report, the Appraiser took into account the Market Absorption Study, as revised on September 21, 2015, to reflect current prices for and sales of homes in the Development. A complete copy of the Market Absorption Study, as updated on September 21, 2015, is included in Appendix D hereto. The District makes no representation or warranty as to the accuracy or completeness of the Appraisals or the Market Absorption Study.

Set forth below are three tables that show the expected value to allocable portion of bond debt (referred to as "lien" in the tables) of the Taxable Property in the District, based on the respective values of the parcels of Taxable Property reflected in the Updated Appraisal Report, the percentage of the fiscal year 2015-16 Special Tax levy on those parcels, the initial principal amount of the 2015 Bonds and the development status of the respective parcels as of May 1, 2015 (parcels for which a building permit has been issued as of May 1 of any year become "Developer Property" under the Special Tax Formula, see "THE COMMUNITY FACILITIES DISTRICT – Rate and Method of Apportionment of Special Tax"). Table 1 below sets forth value to lien ratios based on the classification of the Taxable Property in the District under the Special Tax Formula, Table 2 sets forth value to lien ratios based on the four types of production homes to be constructed in the District, and Table 3 sets forth the stratification of the value to lien ratios for all of the Taxable Property in the District.

Table 1
City of Tustin
Community Facilities District No. 2014-1
(Tustin Legacy/Standard Pacific)
Value to Lien By Development Status as of May 1, 2015
and Ownership as of September 1, 2015

Development Status	Parcel Count	Acreage ⁽²⁾	Appraised Property Value ⁽³⁾	Aggregate Maximum Special Tax Rate	FY 2015-16 Special Tax Levy ⁽⁴⁾	Percentage of FY 2015-16 Special Tax Levy	Principal of the 2015 Bonds ⁽⁵⁾	Value-to-Lien Ratio
Developed ⁽¹⁾ (Standard Pacific Owned)	41	4.68	\$ 30,279,466	\$ 229,232	\$168,083	11.87%	\$ 3,284,699	9.22:1
Approved (Standard Pacific Owned)	306	35.61	131,108,412	1,710,856	1,142,990	80.74	22,336,444	5.87:1
Approved (Brookfield Owned)	28	2.99	16,827,122	156,549	104,587	7.39	2,043,858	8.23:1
Totals	375	43.28	\$178,215,000	\$2,096,638	\$1,415,660	100.00%	\$27,665,000	6.44:1

- (1) Reflects parcels for which building permits had been issued as of May 1, 2015. As of September 1, 2015 an additional 94 building permits had been issued for parcels in the District.
(2) Reflects Net Taxable Acreage.
(3) Appraised Value as of September 1, 2015. See Appendix C – Initial Appraisal Report and Updated Appraisal Report.
(4) Amount includes amounts for District administration and estimated 2015 Bond debt service due in calendar year 2016 at time of submission of Special Tax levy to the County in August, 2015.
(5) Amount allocated based upon Fiscal Year 2015-16 Special Tax levy and initial principal amount of the 2015 Bonds.
Source: Albert A. Webb Associates.

Table 2
City of Tustin
Community Facilities District No. 2014-1
(Tustin Legacy/Standard Pacific)
Value to Lien By Project Area

Production Type of Homes	Approved Parcel Count ⁽⁶⁾	Developed Parcel Count ⁽⁵⁾	Total Parcel Count	Acreage ⁽¹⁾	Appraised Property Value ⁽²⁾	Aggregate Maximum Special Tax Rate	FY 2015-16 Special Tax Levy ⁽³⁾	Percentage of FY 2015-16 Special Tax Levy	Principal of the 2015 Bonds ⁽⁴⁾	Value-to-Lien Ratio
Crawford	84	15	99	12.30	\$ 49,290,466	\$ 553,512	\$ 386,051	27.27%	\$ 7,544,253	6.53:1
Huntley	74	3	77	8.68	36,762,793	430,510	288,361	20.37	5,635,191	6.52:1
Sheldon	88	15	103	9.12	38,575,101	575,876	372,569	26.32	7,280,787	5.30:1
Stafford	88	8	96	13.18	53,586,641	536,739	368,679	26.04	7,204,768	7.44:1
Totals	334	41	375	43.28	\$178,215,000	\$2,096,638	\$1,415,660	100.00%	\$27,665,000	6.44:1

- (1) Reflects Net Taxable Acreage.
(2) Appraised Value as of September 1, 2015. See Appendix C – Initial Appraisal Report and Updated Appraisal Report.
(3) Amount includes amounts for District administration and estimated 2015 Bond debt service due in calendar year 2016 at time of submission of Special Tax levy to the County in August, 2015.
(4) Amount allocated based upon projected Fiscal Year 2015-16 Special Tax levy and initial principal amount of the 2015 Bonds.
(5) Reflects status of development as of May 1, 2015. As of September 1, 2015, an additional 94 building permits had been issued for parcels in the District.
Source: Albert A. Webb Associates.

Table 3
City of Tustin
Community Facilities District No. 2014-1
(Tustin Legacy/Standard Pacific)
Value to Lien Stratification based upon Development Status as of May 1, 2015

Value-to-Lien Category	Parcel Count	Acre-age ⁽¹⁾	Appraised Property Value ⁽²⁾	Percentage of Appraised Property Value	FY 2015-16 Special Tax Levy ⁽⁴⁾	Percentage of FY 2015-16 Special Tax Levy	Principal of the 2015 Bonds ⁽⁴⁾	Value to Lien
Less than 5.00:1 ⁽⁵⁾	69	6.03	\$21,570,365	12.10%	\$ 257,733	18.21%	\$ 5,036,649	4.28
5.00:1 to 6.99:1	196	24.19	80,819,222	45.35	739,681	52.25	14,454,946	5.59
7.00:1 to 8.99:1	65	7.61	38,767,437	21.75	244,386	17.26	4,775,820	8.12
9.00:1 to 10.99:1	33	4.16	23,800,797	13.36	123,264	8.71	2,408,832	9.88
11.00:1 to 12.99:1	4	0.47	4,652,650	2.61	18,977	1.34	370,851	12.55
Greater than 12.99:1 ⁽⁶⁾	8	0.83	8,604,530	4.83	31,619	2.23	617,902	13.93
Total	375	43.28	\$178,215,000	100.00%	\$1,415,660	100.00%	\$27,665,000	6.44

(1) Reflects Net Taxable Acreage.

(2) Appraised Value as of September 1, 2015. See Appendix C – Initial Appraisal Report and Updated Appraisal Report.

(3) Amount includes amounts for District administration and estimated 2015 Bond debt service due in calendar year 2016 at time of submission of Special Tax levy to the County in August, 2015. Allocation of Special Tax levy is based on development status as of May 1, 2015.

(4) Amount allocated based upon Fiscal Year 2015-16 Special Tax levy and initial principal amount of the 2015 Bonds.

(5) Minimum Value to Lien is 4.28:1.

(6) Maximum Value to Lien is 15.61:1.

Source: Albert A. Webb Associates.

Covenant for Superior Court Foreclosure

Pursuant to Section 53356.1 of the Law, the District has covenanted in the Indenture with and for the benefit of the Bondowners that it will commence appropriate judicial foreclosure proceedings against parcels with total Special Tax delinquencies in excess of \$7,500 (not including interest and penalties thereon) by the October 1 following the close of each Fiscal Year in which the last of such Special Taxes were due and will commence appropriate judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied in such Fiscal Year, and diligently pursue to completion such foreclosure proceedings; provided, however, that, notwithstanding the foregoing, the District may elect to accept payment from a property owner of at least the enrolled amount but less than the full amount of the penalties, interest, costs and attorneys' fees related to a Special Tax delinquency, if permitted by law. Notwithstanding the foregoing, in certain instances the amount of a Special Tax delinquency on a particular parcel is so small that the cost of appropriate foreclosure proceedings will far exceed the Special Tax delinquency and in such cases foreclosure proceedings may be delayed by the District until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the foreclosure proceedings cost.

No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. Subject to the maximum rates, the Special Tax Formula is designed to generate from all Taxable Property within the District an annual amount sufficient to pay the current year's debt service and administrative expenses. However, if foreclosure proceedings are necessary, and the Reserve Fund has been depleted, there could be a delay in payments to owners of the 2015 Bonds pending prosecution of the foreclosure proceedings and receipt by the District of the proceeds of the foreclosure sale.

The ability of the District to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the obligee in the event the property is owned by or in receivership of a federal government entity. See "SPECIAL RISK

FACTORS—Property Interests of Government Agencies; Federal Deposit Insurance Corporation.”

No assurances can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the District) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days from the date of service of the Notice of Levy in which to redeem the property to be sold, which period may be shortened to 20 days for parcels other than those on which a dwelling unit for not more than four persons is located. If a judgment debtor fails to redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (Section 701.680 of the California Code of Civil Procedure). The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no assurance that, if tested, such legislation will be upheld.

Section 53356.6 of the Law requires that property sold pursuant to foreclosure under the Law be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Law, the District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a “credit bid,” where the District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the District becomes the purchaser under a credit bid, the District must pay the amount of its credit bid into the Redemption Fund under the Indenture, but this payment may be made up to 24 months after the date of the foreclosure sale. Neither the Law nor the Indenture requires the District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale, and the District has no current intent to be such a purchaser.

The District will levy the Special Tax to pay the current year’s debt service and related administrative expenses and to replenish the Reserve Fund to the Reserve Requirement, subject to Maximum Special Tax A rates. However, if superior court foreclosure proceedings are necessary to collect delinquent Special Taxes, and if the Reserve Fund is depleted, there could be a delay in payments of principal of and interest on the 2015 Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. See “SPECIAL RISK FACTORS—Bankruptcy and Foreclosure Delays.”

No Teeter Plan

Collection of the Special Taxes is not subject to the “Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds,” as provided for in Section 4701 et seq. of the California Revenue and Taxation Code (known as the “Teeter Plan”). Accordingly, collections of Special Taxes will reflect actual delinquencies, if any.

Reserve Fund

In order to secure further the payment of principal and interest on the 2015 Bonds, the District will initially deposit 2015 Bond proceeds into the Reserve Fund held by the Trustee in an amount equal to the initial Reserve Requirement. The Reserve Requirement is defined in the Indenture as an amount, as of any date of calculation, equal to the least of (a) Maximum Annual Debt Service on the outstanding Bonds, (b) 125% of Average Annual Debt Service on the outstanding Bonds, and (c) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds). See Appendix A – Summary of the Indenture.

Except as otherwise provided in the Indenture, the moneys in the Reserve Fund shall be used for payment of the principal of and interest on the 2015 Bonds. See Appendix A – Summary of the Indenture. The Indenture provides for amounts in the Reserve Fund to be transferred to the Bond Fund in such amounts as are needed, taking into account amounts available for such purpose in the Bond Fund, to pay the scheduled principal of and interest on the 2015 Bonds when due. Amounts in the Reserve Fund may also be used to redeem Bonds in connection with prepayments of Special Taxes in accordance with the provisions of the Indenture, and to make payments of rebate due to the federal government.

Additional Bonds Only for Refundings

The Indenture provides that, so long as any of the 2015 Bonds remain Outstanding, the District will not issue any Additional Bonds or obligations payable from Net Special Tax Revenues on a parity with the 2015 Bonds, except as described below. The Indenture further provides that, so long as any of the 2015 Bonds remain Outstanding, the District shall not issue any obligations payable from Net Special Tax Revenues on a basis senior to the 2015 Bonds.

The District may at any time issue one or more Series of Additional Bonds payable from Net Special Tax Revenues on a parity with all other Bonds theretofore issued (including the 2015 Bonds), but only to provide funds to refund any Bonds previously issued under the Indenture (as well as to pay related Costs of Issuance and to make any required deposit to the Reserve Fund), and subject to the following conditions, which are conditions precedent to the issuance of such Additional Bonds:

(a) The issuance of such Additional Bonds has been authorized under and pursuant to the Law and under and pursuant to the Indenture and has been provided for by a Supplemental Indenture which must specify certain matters required by the Indenture, including the purposes for which the proceeds of such Additional Bonds are to be applied, which purposes may only include one or more of (i) providing funds to refund any Bonds issued under the Indenture, (ii) providing funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds, and (iii) providing funds to make any deposit to the Reserve Fund required by the Additional Bonds provisions of the Indenture;

(b) Upon the issuance of such Additional Bonds, no Event of Default shall have occurred and be continuing under the Indenture; and

(c) Annual Debt Service in each Bond Year, calculated for all Bonds to be Outstanding after the issuance of such Additional Bonds, will be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds Outstanding immediately prior to the issuance of such Additional Bonds.

Nothing contained in the Indenture limits the issuance of any special tax bonds payable from Special Taxes if, after the issuance and delivery of such special tax bonds, none of the Bonds theretofore issued under the Indenture are Outstanding.

THE COMMUNITY FACILITIES DISTRICT

Location and Description

The District's boundaries include approximately 78.2 acres located in the southerly portion of the City in an area known as Tustin Legacy, which was formerly the Tustin Marine

Corps Air Station (the “MCAS”). The District is bounded by Park Avenue on the west, Jamboree Road on the east, the future Moffett Drive on the north and the Warner Avenue off-ramp of the 405 freeway on the south. The District is generally surrounded by undeveloped land to the north and west.

The District encompasses approximately 5.2% of Tustin Legacy (based on gross acreage). Tustin Legacy is an approximately 1,511 acre planned community in central Orange County. Tustin Legacy is the City’s proposed development for that portion of the former MCAS located in the City and an additional four acre parcel acquired from The Irvine Company. Approximately 95 acres of the original MCAS are located in the City of Irvine and are not a part of Tustin Legacy. Tustin Legacy is subject to the MCAS Tustin Specific Plan, which is described in the Appraisal included in Appendix C.

Tustin Legacy currently includes over 1,680 homes (none of which are located in the District) and an additional 2,100 planned residential units (375 of which are planned to be built in the District), and includes or is expected to include schools, parks, and numerous business and commercial uses. Tustin Legacy is generally bounded by single-family residential and business park uses to the north, light industrial and research and development uses to the west, light industrial and commercial uses to the south, and residential uses to the east in the City of Irvine. The Tustin Legacy project area is bounded by the 405, 5 and 55 Freeways. Jamboree Road provides access to the Eastern Transportation Corridor. John Wayne Airport is located approximately three miles to the south. For more information regarding Tustin Legacy, see the website at www.tustinlegacy.com; however, neither the District nor the Underwriter has reviewed the website and they cannot make any representation regarding the accuracy or completeness of the information therein, and the information on the website is not incorporated into this Official Statement.

The following page contains an aerial photo of the area included within the boundaries of the District.



The District was formed by the City Council of the City pursuant to Resolutions adopted on June 17, 2014, and the City Council, acting as the legislative body of the District, adopted the Resolution of Issuance (authorizing the issuance of the 2015 Bonds) on September 16, 2014. The District was formed in order to finance certain public infrastructure improvements and school facilities (see "THE COMMUNITY FACILITIES DISTRICT – Authorized Facilities"), and to provide funding for certain municipal services to be provided by the City, including, without limitation, police and fire protection, ambulance and paramedic services, street sweeping, traffic signal maintenance and the maintenance of City-owned parks, parkways and open spaces, lighting, flood and storm protection services and the operation of storm drainage systems.

At the time of formation of the District, the City owned all of the land within the District. The City subsequently sold the land to the Developer. The area within the District is expected to be improved with 375 detached single family homes and public areas. See "THE DEVELOPER AND THE DEVELOPMENT – The Development."

Rate and Method of Apportionment of Special Tax

Special Taxes will be levied on and collected from each parcel in the District subject to such Special Taxes as set forth in the Special Tax Formula, the complete text of which is contained in Appendix E – Rate and Method of Apportionment of Special Tax. The Special Tax Formula provides for the levy of a Special Tax A, which is the "Special Tax" referred to in this Official Statement, and a "Special Tax B" that is to be levied to fund services authorized to be funded by the District and related administrative expenses. The Special Tax B is not in any way pledged to secure the payment of debt service on the 2015 Bonds and will not be used for that purpose. Capitalized terms used in the paragraphs below and not otherwise defined in this Official Statement have the meanings given to them in the Special Tax Formula.

Maximum Special Tax rates that may be levied in any fiscal year have been established for the District as set forth in the Special Tax Formula, with maximum Assigned Annual Special Tax A rates for Single Family Residential Property that is classified as Developed Property for fiscal year 2015-16 varying from \$2,819 per year for properties with homes with residential floor areas less than 2,250 square feet, to \$4,997 per year for properties with homes with residential floor areas greater than 3,530 square feet. The Special Tax Formula specifies an annual maximum Special Tax A rate for fiscal year 2015-16 for Multifamily Residential Property and for Non-Residential Property of \$48,441.84 per acre per year; however, it is not expected that the District will include any Multifamily Residential Property or Non-Residential Property. The maximum Special Tax rate for Undeveloped Property under the Special Tax Formula for fiscal year 2015-16 is \$48,441.84 per acre per year; however, by reason of the recordation of the final tract map for the Development that occurred on December 30, 2014, all of the taxable parcels in the District are classified as Approved Property or Developed Property under the Special Tax Formula, so no property in the District is expected to be taxed at the Undeveloped Property tax rate. The Special Tax Formula also specifies a "Backup Special Tax" for Approved Property (parcels included in a Final Subdivision but for which building permits have not yet been issued by a specified date each year); and Single Family Residential Property that is classified as Developed Property, which will apply for Fiscal Year 2015-16 as less than 375 single family homes have been constructed in the District. The Backup Special Tax A calculated for Fiscal Year 2015-16 as set forth in Section C.1.b. of the Special Tax Formula was \$5,591.03 per parcel of Developed Property.

The respective maximum Special Tax Rates increase each fiscal year by two percent (2%) of the respective maximum rate in effect for the prior fiscal year. It should also be noted that Section 53321(d) of the Law effectively provides that, with respect to the Special Tax to be levied against Single Family Residential Property used for residential purposes, under no circumstances will the Special Tax levied in any fiscal year against such Single Family Residential Property be increased as a consequence of delinquency or default by the owners of

any other parcels in the District by more than ten percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

Section D of the Special Tax Formula outlines the steps to be followed to effect the levy of Special Taxes each fiscal year, which can be summarized as follows:

- Determine the Special Tax A Requirement for Facilities for the then current fiscal year.
- Levy the Special Tax proportionately on Developed Property (expected to consist solely of Single Family Residential Property) up to 100% of the "Assigned" maximum Special Tax rates for such property.
- If additional revenues are needed to satisfy the Special Tax A Requirement for Facilities, levy proportionately on Approved Property up to the maximum special tax for such property.
- If additional revenues are needed to satisfy the Special Tax A Requirement for Facilities, levy proportionately on Undeveloped Property up to the maximum Special Tax for such property.
- If additional revenues are needed to satisfy the Special Tax A Requirement for Facilities, levy on Developed Property at the "Backup" maximum special tax for such property if the "Backup" maximum special tax is greater than the "Assigned" maximum special tax for any such property.
- If additional revenues are needed to satisfy the Special Tax A Requirement for Facilities, levy on Taxable Property Owner Association Property, and then Taxable Public Property, up to the maximum special tax for the respective property.

The first Special Tax levy in the District for Fiscal Year 2015-16 has been transmitted by the City to the Auditor to be placed on property tax bills for parcels of Taxable Property in the District. One half of the Fiscal Year 2015-16 Special Tax levy (along with other taxes included by the Auditor on the property tax bills) will be delinquent if not paid by December 10, 2015 and the other half of which will be delinquent if not paid by April 10, 2016. The current and future Special Tax levies are expected to be collected on the County ad valorem real property tax bills, and the Special Taxes can only be levied for a forty-year period commencing with Fiscal Year 2015-16.

The Special Tax for any parcel in the District may also be optionally prepaid in whole or in part. See Section H of the Special Tax Formula in Appendix E hereto for more specific information on optional prepayments of the Special Tax. See also "THE 2015 BONDS – Mandatory Redemption from Prepayment of Special Taxes."

The City Council or its designee will determine the amount of Special Tax to be levied and collected in each Fiscal Year, including, but not limited to, amounts required to pay debt service on the Bonds for the calendar year which commences in such Fiscal Year, Administrative Expenses for such Fiscal Year, an amount (if any) necessary to replenish the Reserve Fund for the Bonds to the amount of the then Reserve Requirement, an amount to offset projected future Special Tax delinquencies, an amount to pay directly for the acquisition or construction of the Facilities, and an amount necessary to make any other payments required to be made in the applicable Fiscal Year by the District under the Indenture.

Table 4 below sets forth the estimated debt service coverage for the 2015 Bonds based on the Assigned Special Taxes at projected build-out of the 375 parcels in the District, escalating

annually by 2%, for each Bond Year through the scheduled final maturity of the 2015 Bonds. Pursuant to the Special Tax Formula, and subject to the Maximum Special Taxes prescribed for Special Tax A therein and permitted by the Law, the District will only levy Special Taxes in an amount sufficient to fund the annual Special Tax A Requirement for Facilities.

Table 4
City of Tustin
Community Facilities District No. 2014-1
(Tustin Legacy/Standard Pacific)
Maximum Special Taxes and 2015 Bond Debt Service Coverage

Year	Estimated Annual Assigned Special Tax ⁽¹⁾	2015 Bond Debt Service ⁽²⁾	Administration ⁽³⁾	Coverage Estimated Special Tax Levy ⁽⁴⁾
2016	\$1,554,229	\$1,381,351	\$30,000	110%
2017	1,585,313	1,412,975	30,600	110
2018	1,617,019	1,440,775	31,212	110
2019	1,649,360	1,466,575	31,836	110
2020	1,682,347	1,499,775	32,473	110
2021	1,715,994	1,526,375	33,122	110
2022	1,750,314	1,556,575	33,785	110
2023	1,785,320	1,590,175	34,461	110
2024	1,821,026	1,618,675	35,150	110
2025	1,857,447	1,654,925	35,853	110
2026	1,894,596	1,688,425	36,570	110
2027	1,932,488	1,719,175	37,301	110
2028	1,971,138	1,752,175	38,047	110
2029	2,010,560	1,792,175	38,808	110
2030	2,050,772	1,823,675	39,584	110
2031	2,091,787	1,861,925	40,376	110
2032	2,133,623	1,901,550	41,184	110
2033	2,176,295	1,936,350	42,007	110
2034	2,219,821	1,978,350	42,847	110
2035	2,264,218	2,017,150	43,704	110
2036	2,309,502	2,057,750	44,578	110
2037	2,355,692	2,098,000	45,470	110
2038	2,402,806	2,138,250	46,379	110
2039	2,450,862	2,183,250	47,307	110
2040	2,499,879	2,227,500	48,253	110
2041	2,549,877	2,270,750	49,218	110
2042	2,600,874	2,317,750	50,203	110
2043	2,652,892	2,363,000	51,207	110
2044	2,705,950	2,411,250	52,231	110
2045	2,760,069	2,457,000	53,275	110

(1) Reflects the estimated Fiscal Year 2015-16 aggregate Assigned Special Tax A for 375 parcels of Single Family Residential Property that are Developed Property, based upon home product mix through build-out as provided by the Developer, escalating at two percent (2%) per year.

(2) The scheduled debt service on the 2015 Bonds.

(3) The amount of the annual Administrative Expense Cap. See "SECURITY FOR THE 2015 BONDS – Pledge of Net Special Tax Revenues."

(4) Estimated Assigned Special Taxes for 375 parcels of Single Family Residential Property, less the annual Administrative Expense Cap, divided by scheduled debt service on the 2015 Bonds.

Source: Albert A. Webb Associates; except 2015 Bond Debt Service, which was provided by the Underwriter.

See "SECURITY FOR THE 2015 BONDS – Pledge of Special Tax Revenues" for other information regarding the Special Tax.

Set forth in Table 5 below are estimated, sample property tax bills for fiscal year 2015-16 that would be received by homeowners in the District if their respective property was classified for such fiscal year as Developed Property under the Special Tax Formula. See "SPECIAL RISK

FACTORS – Direct and Overlapping Indebtedness” for a table that describes the overlapping indebtedness for which taxes would be levied on the parcels in the District as shown in the table below.

Table 5
City of Tustin
Community Facilities District No. 2014-1
(Tustin Legacy/Standard Pacific)
Fiscal Year 2015-16 Estimated Sample Tax Bill for a Developed Property

Home Prices Plan	Sheldon Carriage Court				Huntley			Crawford			Stafford		
Range of Home Sizes in Square Feet per Special Tax Formula	Less than 2,250	Less than 2,250	Less than 2,250	2,250 to 2,569	2,570 to 2,889	2,570 to 2,889	2,890 to 3,209	2,890 to 3,209	3,210 to 3,529	3,530 or Greater	3,530 or Greater	3,530 or Greater	3,530 or Greater
Estimated Home Size (Info from Market Absorption Study)	1,892	2,137	2,171	2,343	2,597	2,807	3,008	3,012	3,412	3,612	3,720	3,831	3,880
Estimated Home Price (Info From Market Absorption Study)	\$756,900	\$817,900	\$819,900	\$853,900	\$913,900	\$948,900	\$967,900	\$1,057,000	\$1,162,900	\$1,235,900	\$1,180,834	\$1,214,553	\$1,250,189
Less Homeowner's Exemption	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$756,900	\$817,900	\$819,900	\$853,900	\$913,000	\$948,000	\$967,000	\$1,057,000	\$1,162,900	\$1,235,900	\$1,180,834	\$1,214,553	\$1,250,189
General Obligation Debt⁽¹⁾													
Ad-Valorem Tax Rate (1.001t)	\$7,569.00	\$8,179.00	\$8,199.00	\$8,539.00	\$9,130.00	\$9,480.00	\$9,670.00	\$10,570.00	\$11,629.00	\$12,359.00	\$11,808.34	\$12,145.53	\$12,501.89
TUSD 2012-1 Bond Series A (0.01406%)	106.42	115.00	115.28	120.06	128.37	133.29	135.96	148.61	163.50	173.77	166.03	170.77	175.78
TUSD 2008-1 Bond Series A (0.01079%)	81.67	88.25	88.47	92.14	98.51	102.29	104.34	114.05	125.48	133.35	127.41	131.05	134.90
TUSD 2008-1 Bond Series B (0.01006%)	76.14	82.28	82.48	85.90	91.85	95.37	97.28	106.33	116.99	124.33	118.79	122.18	125.77
TUSD 2008-1 Bond Series C (0.00952%)	72.06	77.86	78.05	81.29	86.92	90.25	92.06	100.63	110.71	117.66	112.42	115.63	119.02
TUSD 2002-1 Bond Series C (0.01127%)	85.30	92.18	92.40	96.23	102.90	106.84	108.98	119.12	131.06	139.29	133.08	136.88	140.90
TUSD 2002-1 Bond 2002 Series D (0.01046%)	79.17	85.55	85.76	89.32	95.50	99.16	101.15	110.56	121.64	129.28	123.52	127.04	130.77
TUSD 2002 Bond Series 2006B (0.00338%)	25.58	27.65	27.71	28.86	30.86	32.04	32.68	35.73	39.31	41.77	39.91	41.05	42.26
TUSD 2002 Bond Series 2003A (0.00001%)	0.08	0.08	0.08	0.09	0.09	0.09	0.10	0.11	0.12	0.12	0.12	0.12	0.13
Irvine Ranch Water District #213 (0.03800%)(2)	100.67	108.78	109.05	113.57	121.43	126.08	128.61	140.58	154.67	164.37	157.05	161.54	166.28
Irvine Ranch Water District #113 (0.03000%)(2)	79.47	85.88	86.09	89.66	95.87	99.54	101.54	110.99	122.10	129.77	123.99	127.53	131.27
Metropolitan Water District GO Bonds (0.00350%)	26.49	28.63	28.70	29.89	31.96	33.18	33.85	37.00	40.70	43.26	41.33	42.51	43.76
Subtotal GO Bond Debt	\$8,302.05	\$8,971.14	\$8,993.07	\$9,366.01	\$10,014.26	\$10,398.13	\$10,606.55	\$11,593.71	\$12,755.28	\$13,555.97	\$12,951.99	\$13,321.83	\$13,712.73
Special Assessments and Taxes													
City of Tustin Services CFD	\$860.00	\$860.00	\$860.00	\$1,020.00	\$1,164.00	\$1,164.00	\$1,314.00	\$1,314.00	\$1,425.00	\$1,522.00	\$1,522.00	\$1,522.00	\$1,522.00
City of Tustin Proposed CFD 2014-1 Facilities Tax	2,819.00	2,819.00	2,819.00	3,346.00	3,822.00	3,822.00	4,308.00	4,308.00	4,675.00	4,997.00	4,997.00	4,997.00	4,997.00
Subtotal Special Assessments and Taxes	\$3,679.00	\$3,679.00	\$3,679.00	\$4,366.00	\$4,986.00	\$4,986.00	\$5,622.00	\$5,622.00	\$6,100.00	\$6,519.00	\$6,519.00	\$6,519.00	\$6,519.00
Total Annual Property Taxes⁽³⁾	\$11,981.05	\$12,650.14	\$12,672.07	\$13,732.01	\$15,000.26	\$15,384.13	\$16,228.55	\$17,215.71	\$18,855.28	\$20,074.97	\$19,470.99	\$19,840.83	\$20,231.73
Annual Prop. Tax Rates as % of Home Price	1.583%	1.547%	1.546%	1.608%	1.643%	1.623%	1.678%	1.629%	1.621%	1.624%	1.649%	1.634%	1.618%

(1) Amounts projected based upon fiscal year 2014-15 Tax Rates of properties within the same Tax Rate Area.

(2) Based upon land value only. Land value estimated to be 35% based upon Land to Structure Value of neighboring properties.

(3) Additional annual Property Taxes may exist in the future which were not known as of June 1, 2015.

Source: Albert A. Webb Associates.

Authorized Facilities

Under the provisions of the Resolution of Formation for the District, the District is authorized to finance (a) backbone infrastructure needed for new development, such as roadway, bridge, sewer, water, reclaimed water, dry utilities, storm drain, street and parkway landscaping, curb and gutter, medians, median landscaping, traffic signals, entry signage, parks, trails, fire facilities, and appurtenances and appurtenant work (referred to in this Official Statement as the “City Facilities”), and (b) the construction, purchase, modification, expansion, improvement and/or rehabilitation of school facilities to be owned and operated by the School District (referred to in this Official Statement as the “School Facilities”).

The City has advised that it expects that proceeds of the 2015 Bonds deposited in the City Facilities Account of the Improvement Fund will be used to reimburse the City for amounts it has expended in respect of the construction of Park Avenue and Moffett Avenue adjacent to the Development, and to pay costs to complete those improvements. The District, at the direction of the City Council as its legislative body may, however, at any time use amounts in the City Facilities Account of the Improvement Fund to pay costs of any other of the Facilities authorized to be financed by the District. Development in the District is not dependent upon the completion of Park Avenue or Moffett Avenue.

Proceeds of the 2015 Bonds deposited to the School Facilities Account will be used to finance various facilities for the School District pursuant to a School Facilities Implementation, Funding and Mitigation Agreement, entered into as of August 25, 2015, by the District, the City and the School District, and a Joint Community Facilities Agreement, entered into as of August 24, 2015, by the City, the School District and the Developer. The amount to be deposited to the School Facilities Account has been calculated to be sufficient to satisfy in a lump sum payment the School District’s impact fees attributable to the homes being constructed and to be constructed on the 375 lots in the Development.

THE CITY OF TUSTIN

Under the Law, the City Council of the City is authorized to establish and act as the legislative body for community facilities districts. However, the City has no liability in connection with the District or the 2015 Bonds, other than with respect to the pledge of Special Taxes and funds set forth in the Indenture. See “SECURITY FOR THE 2015 BONDS – Limited Liability” herein. See Appendix E hereto for general information regarding the City.

THE DEVELOPER AND THE DEVELOPMENT

The information provided in this section has been included because it may be considered relevant to an informed evaluation and analysis of the 2015 Bonds and the District. No assurance can be given, however, that the proposed development of the property within the District will occur in a timely manner or in the configuration or to the density described herein, or that the Developer, any owners or affiliates thereof, affiliates of Brookfield Residential, or any other future property owner described herein will or will not retain ownership of its respective property within the District. Neither the 2015 Bonds nor any of the Special Taxes are personal obligations of any property owner within the District. The 2015 Bonds are secured solely by the Net Special Tax Revenues and amounts on deposit in certain of the funds and accounts maintained by the Trustee under the Indenture. See “SPECIAL RISK FACTORS” for a discussion of certain of the risk factors that should be considered in evaluating the investment quality of the 2015 Bonds.

The Development

The Development, currently identified as Greenwood in Tustin Legacy, is expected to include at buildout 375 detached single family homes constructed on approximately 43 net acres, a 6.1 acre focal park, and 3.73 acres of green belt areas. The Development is one of the phases of the Tustin Legacy project, which is described under the heading "THE COMMUNITY FACILITIES DISTRICT – Location and Description." The property is subject to the MACS Tustin Specific Plan Area 15, which is more fully described in the Initial Appraisal Report in Appendix C.

The Development is subject to a Disposition and Development Agreement for Parcels 1B & 6A, dated February 18, 2014, between the City and the Developer (referred to in this Official Statement as the "DDA"), and a Development Agreement, recorded in the Orange County Recorder's Office on April 8, 2014, between the City and the Developer (referred to in this Official Statement as the "Developer Agreement"). Pursuant to the DDA, the Developer acquired the property in the District on which the Development is being constructed for a purchase price of \$56,000,000, which was paid by the Developer to the City, and the property was conveyed to the Developer, on August 15, 2014. Under the DDA, the City is also entitled to a percentage of profits from the sale of homes in the Development, as set forth in an attachment to the DDA. Copies of the DDA and the Development Agreement may be obtained upon written request to the City Clerk of the City. See "INTRODUCTION – Additional Information."

The Developer is currently constructing infrastructure improvements in the Development, which construction commenced in October, 2014, and is expected to be completed by February 2016. The construction of twelve model homes representing all four product types to be built in the District has been completed and the model homes were opened to the public on May 29, 2015. Several construction phases were underway as of September 1, 2015, with a total of 123 homes (in addition to the completed twelve model homes) under construction as of such date. Sales of homes is ongoing, with 112 homes subject to contracts of sale as of September 1, 2015, and closings to individual home buyers of homes in all four product types expected to begin in November, 2015. No assurance can be given that construction and home sales activities will continue and be completed as currently projected by the Developer and Brookfield Homes.

The property in the Development is currently subject to a final tract map for the Development recorded on December 30, 2014, in the County Recorder's Office, which subdivided the property into 375 lots plus a park parcel and interior streets. The next page shows the final Tract Map for the property in the District.

SHEET 4 OF 17 SHEETS
 304 NUMBERED LOTS
 77 LETTERED LOTS
 LOTS A THROUGH Z, INCLUSIVE
 LOTS AA THROUGH ZZ, INCLUSIVE
 LOTS AAA THROUGH YYY, INCLUSIVE
 ACREAGE 78.98 ACRES
 CALL OF TENTATIVE TRACT MAP NO. 17507

TRACT NO. 17507

IN THE CITY OF TUSTIN, COUNTY OF ORANGE
 STATE OF CALIFORNIA

HUNSAKER AND ASSOCIATES IRVINE, INC.
 ROBERT L. WHEELER IV, L.S. 8639 DATE OF SURVEY: JULY, 2013

SHEET INDEX MAP

- ① INDICATES SHEET NUMBER
- INDICATES SHEET LIMIT

SEE SHEET 2 FOR BASIS OF BEARINGS, DATUM STATEMENT, RECORD MAP AND DATA NOTES, MONUMENT NOTES, EASEMENT NOTES, NOTES, CERTIFICATE OF ACCEPTANCE - IRVINE RANCH WATER DISTRICT, NOTARY ACKNOWLEDGMENT FOR IRVINE RANCH WATER DISTRICT AND SIGNATURE OMISSIONS.
 SEE SHEET 3 FOR BOUNDARY GPS CONTROL MAP.



LOT	ACRES	AREA	PERCENT
1	0.0000	0.0000	0.0000
2	0.0000	0.0000	0.0000
3	0.0000	0.0000	0.0000
4	0.0000	0.0000	0.0000
5	0.0000	0.0000	0.0000
6	0.0000	0.0000	0.0000
7	0.0000	0.0000	0.0000
8	0.0000	0.0000	0.0000
9	0.0000	0.0000	0.0000
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23	0.0000	0.0000	0.0000
24	0.0000	0.0000	0.0000
25	0.0000	0.0000	0.0000
26	0.0000	0.0000	0.0000
27	0.0000	0.0000	0.0000
28	0.0000	0.0000	0.0000
29	0.0000	0.0000	0.0000
30	0.0000	0.0000	0.0000
31	0.0000	0.0000	0.0000
32	0.0000	0.0000	0.0000
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36	0.0000	0.0000	0.0000
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39	0.0000	0.0000	0.0000
40	0.0000	0.0000	0.0000
41	0.0000	0.0000	0.0000
42	0.0000	0.0000	0.0000
43	0.0000	0.0000	0.0000
44	0.0000	0.0000	0.0000
45	0.0000	0.0000	0.0000
46	0.0000	0.0000	0.0000
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67	0.0000	0.0000	0.0000
68	0.0000	0.0000	0.0000
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238	0.0000	0.0000	0.0000
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248	0.0000	0.0000	0.0000

The Development Plan

The DDA requires that the Development include 375 homes with a product mix of 103 Carriage Court Homes (referred to in the Appraisals as the “Sheldon” product), 96 Stafford homes (referred to in the Appraisals as the “Stafford” product), 99 Greenwood homes (referred to in the Appraisals as the “Crawford” product), and 77 Huntley homes (referred to in the Initial Appraisal Report as the “Merchant Builder” product and in the Updated Appraisal Report as the “Huntley” product). The DDA also requires that the Developer complete the grading for the Development, that it construct a 6.1 acre park and 3.73 acres of green belt areas, as well as connection of all utilities (including sewer, water, electrical, gas, telephone, cable and telecommunication service connections) from their origin or from Tustin Legacy backbone infrastructure program locations, various landscaping improvements (including common areas and median landscaping, irrigation and/or hardscape improvements), all in accordance with applicable governmental regulations (including the Specific Plan, the Reuse Plan, the Approved Plans, and the Entitlements, as such terms are defined in the DDA) and the “conditions of approval” stipulated by the City for the Development. The DDA includes a schedule of performance, which obligates the Developer to complete the Development within the earlier of sixty (60) months following the opening of model homes in the Development or eighty four (84) months following August 15, 2014, subject in each case to certain force majeure delays.

The DDA requires that a Tustin Legacy Backbone Infrastructure Program Fair Share Contribution of \$45,159.21 be paid to the City for each home, with payment due at the time a building permit is issued by the City for a home. However, pursuant to the DDA, upon occurrence of the “Initial Channel Condition” the payment of such “Fair Share Contribution” for all remaining lots was due and payable to the City, and the “Fair Share Contribution” was subsequently paid in full by the Developer to the City. The School District, in whose jurisdiction the Development is located, has entered into a School Facilities Implementation, Funding and Mitigation Agreement with the District and the City, and has entered into a Joint Community Facilities Agreement with the City and the Developer, pursuant to which a portion of the proceeds of the 2015 Bonds will be deposited to the School Facilities Account of the Improvement Fund under the Indenture, and will be used by the School District to fund the School Facilities. The amount to be deposited to the School Facilities Account has been calculated to be sufficient to satisfy in a lump sum payment the School District’s impact fees attributable to the homes being constructed and to be constructed on the 375 lots in the Development. See “THE FINANCING PLAN – Overview.”

The Initial Appraisal Report sets forth the expected minimum lot size for each of the four product types expected to be constructed in the Development (2,400 square feet for the Sheldon product, 3,772 square feet for the Huntley product, 5,000 square feet for the Crawford product and 5,250 square feet for the Stafford product), and the expected unit sizes for the four product types (1,860 to 2,343 square feet for the Sheldon product, 2,597 to 3,008 square feet for the Huntley product, 3,012 to 3,612 square feet for the Crawford product and 3,311 to 3,880 square feet for the Stafford product). The Developer has indicated that, as of September 1, 2015, base sales prices of the homes within the Development ranged from approximately \$716,900 for the smallest Sheldon product home to approximately \$1,211,900 for the largest Stafford product home. Base sales prices are subject to change and exclude lot premiums, options and upgrades, and any incentives or price reductions being offered. See the Updated Appraisal Report in Appendix C and the Market Absorption Study in Appendix D for additional information regarding the four product types being constructed in the District.

Based on information from the Developer, as of September 1, 2015 rough grading of the property in the Development began mid-June 2014 and has been completed. A recreation center and a local park for the Development also have been completed as well as the green belt areas and the park required to be constructed under the DDA. Construction of the sewer, storm drain and water infrastructure improvements within the Development is complete. Dry utilities are

substantially complete. The model homes for all four product types have been completed and were opened to the public on May 29, 2015. As of September 1, 2015, construction of 123 production homes is underway. Production homes are anticipated to be released in phases of generally 5 to 8 units for the three larger product types, and 6 to 12 units for the courtyard product type. No assurance can be given that the foregoing expectations regarding the timing of construction of the Development will be realized. See "SPECIAL RISK FACTORS."

The Developer has advised that as of February 9, 2015, it was under contract with Brookfield Homes to sell the 77 lots for the Huntley product to Brookfield Homes. Concurrent with the contract, the Developer and Brookfield Homes entered into an agreement for site development, license and model home and unit construction, granting Brookfield Homes the right to construct homes on the 77 lots prior to acquiring such lots from the Developer, subject to certain terms and conditions. The rights of Brookfield Homes under the contract were subsequently assigned to Brookfield Huntley 77 LLC, a Delaware limited liability company ("Brookfield Huntley"), a wholly-owned subsidiary of Brookfield Homes. The purchase contract contemplates that only the lots will be sold, and the Developer will retain all of the obligations under the DDA with respect to grading, infrastructure construction and construction of the park and green belt areas. The sale of the lots to Brookfield Huntley is to occur in several "takedowns," with the first three takedowns (consisting of 28 lots) having been completed on August 28, 2015, and a fourth takedown (consisting of 13 additional lots) having been completed on September 23, 2015, in each case with the subject lots being conveyed to Brookfield Huntley. The lots were conveyed in a finished lot condition. Under their agreement, Brookfield Huntley pays the purchase price of lots at the time they are taken down, with a specified per lot price which is subject to adjustment. The remaining 36 lots are the subject of three future takedowns of 14 lots, 13 lots and 9 lots, respectively, which are expected to occur, subject to various conditions, between November of 2015 and May of 2016. No assurance can be given that future takedowns will occur as currently expected. However, based on its agreement with the Developer, in the event Brookfield Homes or Brookfield Huntley fails to close escrow for any takedown, Brookfield Homes is required to convey to the Developer, without any consideration as liquidated damages, all of Brookfield Homes' right, title and interest in the three model homes it or Brookfield Huntley has constructed and any remaining Huntley production units it or Brookfield Huntley has constructed which have not been sold to members of the home buying public.

Land Use Approvals and Environmental Review

The Development has obtained all environmental approvals needed to complete the plan of development described above. As previously stated, the Development is within the MACS Tustin Specific Plan area. A final EIS/EIR was adopted by the City Council for that area on January 16, 2001. An addendum to the Final EIS/EIR was adopted by the City Council in March of 2006. A negative declaration applicable to the area in which the Development is located was adopted by the City Council on February 4, 2014.

Public Utilities

All usual and typical public utilities are available to the Development. The Irvine Ranch Water District supplies water, sewer and recycled water service to the Development site. Southern California Edison supplies electricity and Southern California Gas Company supplies natural gas services, and AT&T/Cox Communications supplies telephone and cable communication services to the area. The Developer has entered into an agreement with the Irvine Ranch Water District, dated October 7, 2014, to provide residential potable water, sewer and recycled water service for the homes to be constructed in the Development. The Developer has also entered into agreements with Southern California Edison, Southern California Gas Company, AT&T and Cox Communication to provide electric, natural gas, telephone and cable communication services to the Development.

The Developer

As previously defined in this Official Statement, the “Developer” is CalAtlantic Group, Inc., a Delaware corporation (referred to in this Section as “CalAtlantic”), which is a homebuilder incorporated in Delaware in 1991 with principal executive offices located in Irvine, California. CalAtlantic is a publicly traded company with its stock listed on the New York Stock Exchange under the symbol “CAA.”

On October 1, 2015, Standard Pacific Corp. and The Ryland Group, Inc. completed their merger of equals transaction (the “Merger”) and launched their combined consumer brand, CalAtlantic Homes, through the merger of The Ryland Group, Inc., a Maryland corporation (“Ryland”) with and into Standard Pacific Corp., a Delaware corporation (“Standard Pacific”). Immediately following the Merger, the surviving entity, Standard Pacific, changed its name to CalAtlantic Group, Inc. The newly combined company is positioned to be the fourth largest homebuilder in the nation, with operations in 41 major markets in 17 states from coast to coast. Standard Pacific purchased and was the developer of the property in the Development prior to the Merger.

CalAtlantic is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith is obligated to file reports, proxy statements, and other information, including financial statements, with the SEC. Such filings set forth, among other things, more information about the Merger (e.g., see Standard Pacific’s Registration Statement on Form S-4 (registration no. 333-20542)) and certain data relative to the consolidated results of operations and financial position of CalAtlantic and its subsidiaries as of the dates described therein. The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including CalAtlantic. The address of such Internet web site is www.sec.gov. All documents subsequently filed by CalAtlantic pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. Copies of CalAtlantic’s annual report, quarterly reports and current reports, including any amendments, will be available from CalAtlantic’s website at www.calatlantichomes.com. These Internet addresses and references to filings with the SEC are included for reference only, and the information on these Internet sites and on file with the SEC are not a part of this Official Statement and are not incorporated by reference into this Official Statement.

The Developer’s Financing Plan

As of June 30, 2015, the Developer had expended approximately \$114,939,000 in land acquisition, site improvements, construction costs of the 298 homes that the Developer plans to construct, and other development, marketing and sales costs (exclusive of internal financing repayment and corporate overhead allocation) related to its property in the Development. The Developer expects the remaining site improvements, construction costs of the 298 homes that the Developer plans to construct, and other development, marketing and sales costs (exclusive of internal financing repayment and corporate overhead allocation) related to its property within the Development to be approximately \$121,233,000 as of June 30, 2015.

To date, the Developer has financed its land acquisition and various site development and home construction costs related to its property in the Development through internally generated funds. The Developer expects to use home sales, internal funding and funding under its revolving credit facility to complete its development activities for the Development. However, home sales revenues for the Developer’s projects in the Development are not segregated and set aside for the payment of costs required to complete its activities for the Development. Homes sales revenue is accumulated by the Developer and used to pay costs of

the Developer's operations, to pay debt service on outstanding debt and for other corporate purposes, and may be diverted to pay costs other than the costs of completing its activities for the Development at the discretion of the Developer's management. Notwithstanding the foregoing, the Developer believes that it will have sufficient funds available to complete its proposed development activities for the Development in accordance with the development schedule described in this Official Statement.

As of October 5, 2015, the Developer was party to a \$750 million unsecured revolving credit facility (the "Revolving Facility"), which matures in October 2019. The Revolving Facility has an accordion feature under which the aggregate commitment may be increased up to \$1.2 billion, subject to the availability of additional bank commitments and certain other conditions. The Revolving Facility contains certain covenants and conditions which may limit the amount the Developer may borrow or have outstanding at any time. As of October 5, 2015, the Developer satisfied the conditions that would allow it to borrow up to \$750 million under the Revolving Facility, of which no borrowings were outstanding, but the Developer had outstanding letters of credit issued under the Revolving Facility totaling \$90.8 million, leaving \$651.2 million available under the Revolving Facility to be drawn. The Developer's ability to renew the Revolving Facility in the future is dependent upon a number of factors including the state of the commercial lending environment, the willingness of banks to lend to homebuilders and the Developer's financial condition and strength.

Although the Developer expects to have sufficient funds available to complete its development activities for the Development in accordance with the development schedule described in this Official Statement, there can be no assurance that amounts necessary to finance the remaining development and home construction costs will be available from the Developer or any other source when needed. For example, borrowings under the Revolving Facility may not be available, and home sales revenue, which is accumulated daily for use in operations, to pay debt service on outstanding debt and for other corporate purposes, may be diverted to pay costs other than the costs of completing the activities for the Development at the discretion of the Developer management. Neither the Developer, nor its lenders, nor any of its related entities are under any legal obligation of any kind to expend funds for the development of and construction of homes on the Developer's property in the Development. Any contributions by the Developer to fund the costs of such development and home construction are entirely voluntary.

If and to the extent that internal funding, including but not limited to home sales revenues, and borrowings under the Revolving Facility are inadequate to pay the costs to complete the planned development by the Developer within the Development and other financing by the Developer is not put into place, there could be a shortfall in the funds required to complete the proposed development by the Developer of the Development and the remaining portions of the Development may not be developed.

Brookfield Homes

Brookfield Homes Southern California LLC, a Delaware limited liability company (referred to in this Official Statement as "Brookfield Homes") is the sole owner of Brookfield Huntley 77 LLC, a Delaware limited liability company (referred to in this Official Statement as "Brookfield Huntley"). Brookfield Homes and its affiliates have built and sold over 5,000 homes in Southern California over the past 15 years of operations. Brookfield Homes is a wholly owned subsidiary of Brookfield Residential Properties Inc. ("Brookfield Residential"), one of the largest land development and home building companies in North America, with over 100,000 lots controlled in the United States and Canada. Brookfield Huntley is a single purpose entity formed to purchase 77 Huntley product lots in the District.

Other development projects currently under development by Brookfield Residential and its affiliates in Southern California include the following:

<u>Project Name</u>	<u>City</u>	<u>No. of Lots</u>
Camden	Los Angeles	72
Trevion	Los Angeles	22
Camellia	Azusa	57
Palmetto	Azusa	66
Casita	Anaheim	114
Cortile	Anaheim	112
El Paseo	Lake Forest	147
The Domain	Anaheim	100
La Vita	Irvine	72
Liberty	French Valley	90
Descanso at Del Sur	San Diego	39
Brookfield Sentinels at Del Sur	San Diego	51
Palo Verde at the Foothills	Carlsbad	109
Seaside Ridge	Encinitas	23

As of August 1, 2015, within the area of the 77 Huntley lots, Brookfield Residential has spent approximately \$7,500,000 to date and expects to expend approximately \$2,200,000 in additional site development costs consisting of impact fees and approximately \$13,000,000 in additional home construction costs until full build-out of the 77 homes proposed to be constructed on the Huntley lots.

To date, Brookfield Residential has financed its land acquisition, site development and home construction costs related to its property in the area of the 77 Huntley lots through internally generated funds. Brookfield Residential expects to use home sales revenue and internally generated funds to complete its development of the 77 Huntley lots.

If and to the extent the above sources of financing are inadequate to pay the cost to complete Brookfield Huntley's planned development of the 77 Huntley lots and other financing is not obtained, there could be a shortfall in the funds required to complete the proposed development of the 77 Huntley lots. There can be no assurance of the willingness or ability of Brookfield Residential to make such funds available in the future, or the ability of Brookfield Residential to obtain financing from other sources. There is no legal obligation to the 2015 Bond holders to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.

SPECIAL RISK FACTORS

Investment in the 2015 Bonds involves risks which may not be appropriate for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the 2015 Bonds which are not rated by any municipal bond rating agency. This discussion does not purport to be comprehensive or definite, and the risk factors listed are in no particular order of importance. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such failure to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the 2015 Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the District.

Concentration of Ownership

The Developer intends to develop the land within the District as a residential community known as Greenwood in Tustin Legacy. All of the land within the District is currently owned by the Developer, except for 41 lots that have been purchased to date from the Developer by Brookfield Huntley. While the Developer is under contract with Brookfield Huntley to sell it an additional 36 of the lots in the District in three remaining “takedowns”, such sales have not yet closed. See “INTRODUCTION – The Development.” Until homes are constructed and sold to homebuyers, the timely payment of the 2015 Bonds depends on the willingness and ability of the Developer (and the Brookfield Homes, with respect to the lots it has purchased and not yet sold to homebuyers) to pay the Special Taxes when due.

This lack of diversity in the obligation to pay Special Taxes presents a significant risk to 2015 Bondowners. Failure of the Developer or owners of the property within the District to pay the annual Special Taxes when due could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise. In that event, there could be a default in payments of the principal of, and interest on, the 2015 Bonds. See “SPECIAL RISK FACTORS – Insufficiency of Special Tax Revenues” below.

Failure to Develop Properties

Land development is subject to comprehensive federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. While the land in the District is entitled as to discretionary City approvals by reason of the DDA and the Development Agreement, and all other City land use approvals and zoning approvals have been obtained (as described under the caption “THE DEVELOPER AND THE DEVELOPMENT”), there is always the possibility that such approvals, even though obtained, will be challenged or subject to subsequent referendum, or that the issuance of additional building permits for the homes in the Development will be delayed. Revocation of any such agency approval could adversely affect the planned land development. See “SPECIAL RISK FACTORS – Government Approvals.”

Development of land is also subject to economic considerations such as the strength of the regional economy and the resulting demand for land and homes. Another economic downturn, similar to the recent national recession, for example, could adversely impact the demand for homes and land development operations generally throughout the Orange County Area. See “SPECIAL RISK FACTORS – Failure to Achieve Market Projections.” Other factors out of the control of the Developer, such as weather conditions, may delay development.

Substantial delays in the completion of the Development may reduce the value of the property within the District and increase the length of time during which Special Taxes will be payable from Undeveloped Property, and may affect the willingness and ability of the owners of property within the District to pay the Special Taxes when due. See “THE COMMUNITY FACILITIES DISTRICT – Rate and Method of Apportionment of Special Tax.”

Bondowners should assume that any event that significantly impacts the ability to develop land in the District could cause the property values within the District to decrease from those estimated by the Appraiser and could affect the willingness and ability of the owners of land within the District to pay the Special Taxes when due. See “THE DEVELOPER AND THE DEVELOPMENT – The Development” for information regarding the status of development in the District.

Failure to Achieve Market Projections

The Appraisals took into consideration the Market Absorption Study, which assumes a 39 month construction and absorption schedule for the Development. There can be no assurance that such level of dwelling unit absorption can be obtained in the Development. Failure to achieve the estimated absorption projection could adversely affect the Appraiser's estimated value of the property in the District, could impair the economic viability of the Development and could reduce the ability or desire of the property owners to pay the annual Special Taxes. In that event, there could be a default in the payment of principal of, and interest on, the 2015 Bonds. See Appendix D – Market Absorption Study. Prospective purchasers of the 2015 Bonds should not assume that the absorption of dwelling units will occur as estimated and should review the Market Absorption Study in its entirety in order to make an informed decision whether to purchase the 2015 Bonds.

Competition

The housing market in the area in which the Development is located has other pending and proposed projects that may be competitive with the Development. This competition could impact the future value of the property and the rate at which homes are sold and absorbed. See the Appraisal in Appendix C and "SPECIAL RISK FACTORS – Failure to Achieve Market Projections."

Land Value

The value of land within the District is a critical factor in determining the investment quality of the 2015 Bonds. If a landowner defaults in the payment of a Special Tax, the District's only remedy is to commence foreclosure proceedings in an attempt to obtain funds to pay the delinquent Special Tax.

Prospective purchasers of the 2015 Bonds should not assume that the land within the District could be sold for the appraised value described under the heading "SECURITY FOR THE 2015 BONDS – Land Value" at a foreclosure sale for delinquent Special Taxes. For example, it is unlikely that common ownership would be maintained through foreclosure sales of multiple delinquent parcels because at foreclosure each parcel must be sold separately for the Special Tax lien claims against it and multiple parcels may not be foreclosed in a single "bulk" foreclosure sale. See Appendix C – Initial Appraisal Report and Updated Appraisal Report for descriptions of other assumptions made by the Appraiser in determining its appraised values for the property in the District.

Additionally, reductions in the District land values could occur due to a downturn in the economy, physical events such as earthquakes or floods or other events all of which will adversely impact the security underlying the Special Tax.

Dependence upon the Developer for Construction

Neither the District nor the Underwriter makes any representation or gives any assurance with respect to the ability of the Developer to arrange for the construction of the infrastructure improvements or the homes within the Development. While the Developer expects to construct the infrastructure improvements required by the DDA and the homes within the Development, and to self-fund the construction costs, no assurance can be given that they will be completed and sales of homes in the District will occur as expected. Also, the Developer is under contract with an affiliate of Brookfield Huntley to sell the 36 remaining Huntley lots in the Development, and no assurance can be given that if such sale occurs, the purchasing entity will complete the construction and sale of the homes on such lots.

Government Approvals

The Developer has secured all of the discretionary City approvals, permits (other than individual building permits for homes for 240 of the lots in the Development not yet under construction) and government entitlements necessary to develop 375 homes in the District, including a final tract map that has been recorded among others listed in “THE DEVELOPER AND THE DEVELOPMENT – Land Use Approvals and Environmental Review” herein. Nevertheless, development within the District is contingent upon the issuance by the City of building and other ministerial permits for homes to be constructed in the Development. The failure to obtain any such permits in a timely manner could adversely affect land development within the District.

Local, State and Federal Land Use Regulations

There can be no assurance that land development operations within the District will not be adversely affected by future government policies, including, but not limited to, governmental policies which directly or indirectly restrict or control development. During the past several years, citizens of a number of local communities in California have placed measures on the ballot designed to control the rate of future development. Although the Developer entered into the DDA and the Development Agreement with the City with respect to the Development intended to provide protection against certain such measures, the validity of development agreements has not yet been conclusively established by the California Supreme Court (although a recent California appellate court case has passed on the constitutionality of the development agreement statute; see, *Santa Margarita Area Residents Together v. San Luis Obispo City Council*, 84 Cal. App. 4th 221 (2000)), and therefore, it is possible that future initiatives applicable to the City or the District could be enacted and could negatively impact the ability of the property owners to further develop their land. In addition, the DDA and the Development Agreement cannot limit the application of state or federal laws and regulations which have preemptive effect on local land use regulations.

During the past several years, state and federal regulatory agencies have significantly expanded their involvement in local land use matters through increased regulatory enforcement of various environmental laws, including the Endangered Species Act, the Clean Water Act and the Clear Air Act, among others. Such regulations can substantially impair the rate and amount of development without requiring just compensation unless the effect of the regulation is to deny all economic use of the affected property. While the Developer believes that it has obtained all relevant environmental approvals for the Development of the nature described in the second preceding sentence (See “THE DEVELOPER AND THE DEVELOPMENT – Land Use Approvals and Environmental Review”), 2015 Bondowners should assume that any event that significantly impacts the ability to develop land in the District could cause the land values within the District to decrease substantially and could affect the willingness and ability of the owners of land to pay the Special Taxes when due or to proceed with development of land in the District. See “SPECIAL RISK FACTORS – Governmental Approvals” and “SPECIAL RISK FACTORS – Land Values” herein.

Insufficiency of Special Tax Revenues

In order to pay debt service on the 2015 Bonds, it is necessary that the Special Tax levied against land within the City be paid in a timely manner. Should the Special Tax not be paid on time, the District has established the Reserve Fund to pay debt service on the 2015 Bonds to the extent other funds are not available therefore. Although the District may levy the Special Tax in an amount sufficient to replenish the Reserve Fund, the levy would be subject to the maximum annual Special Tax rates set forth in the Special Tax Formula and the limitation in the Law on increasing the Special Tax on property in residential use by no more than ten percent (10%) as a consequence of delinquencies in the payment of Special Taxes. See “THE COMMUNITY

FACILITIES DISTRICT – Rate and Method of Apportionment of Special Tax.” As discussed below, Net Special Tax Revenues could be insufficient to pay the 2015 Bonds either due to nonpayment of the amounts levied or in the event that acreage within the District were to become exempt from taxation due to title being transferred to a public agency.

The Law provides that, if any property within the District not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. The 2015 Bondowners will be dependent on the ability and/or willingness of the public entity to pay the Special Tax levied on such property when due. In addition, the Law provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Law have not been tested. If for any reason property subject to the Special Tax becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government, or another public agency, subject to the limitation of the maximum authorized rate of levy, the Special Tax will be reallocated to the remaining taxable properties within the District, but in no case more than the maximum authorized Special Tax for such properties. If a substantial portion of land within the District became exempt from the Special Tax because of public ownership or otherwise, the maximum Special Tax which could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on the 2015 Bonds when due and a default may occur with respect to the payment of such principal and interest.

The District has covenanted to institute foreclosure proceedings to sell any property with delinquent Special Taxes in order to obtain funds to pay debt service on the 2015 Bonds. If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of delinquent Special Taxes to protect its security interest. See “SECURITY FOR THE 2015 BONDS – Covenant for Superior Court Foreclosure” for provisions which apply in the event foreclosure is required and which the District is required to follow in the event of delinquency in the payment of Special Taxes. In the event such superior court foreclosure or foreclosures are necessary, there could be a delay in payments to Bondowners pending prosecution of the foreclosure sale, if the Reserve Fund were depleted.

No assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold, or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax. Although the Law authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Law does not specify the obligations of the District with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the execution sale pursuant to the judgment in any such action if there is no other purchaser at such sale.

Bankruptcy and Foreclosure Delays

The payment of Special Taxes and the ability of the District to foreclose the lien of a delinquent unpaid Special Tax, as discussed in the section herein entitled “SECURITY FOR THE 2015 BONDS – Covenant for Superior Court Foreclosure,” may be limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a foreclosure could be delayed due to crowded local court calendars or legal delaying tactics.

The various legal opinions to be delivered concurrently with the delivery of the 2015 Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the

enforceability of the various legal instruments by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Regardless of the priority of the Special Taxes securing the 2015 Bonds over non-governmental liens on a parcel, the exercise by the District of the foreclosure and sale remedy may be forestalled or delayed by bankruptcy, reorganization, insolvency, or other similar proceedings of the owner of, or anyone else who claims an interest in, a parcel. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale proceedings, thereby delaying such proceedings perhaps for an extended period. Delay in exercise of remedies or the institution of bankruptcy proceedings may cause Special Tax collections to be insufficient to pay debt service on the 2015 Bonds.

Further, should remedies be exercised under the bankruptcy law against a parcel, payment of Special Taxes may be subordinated to other claims in the bankruptcy proceedings. Thus, certain claims may have priority over a claim for unpaid Special Taxes, even though, in the absence of the bankruptcy proceedings, no such priority would exist.

The Law provides that the Special Taxes are secured by a continuing lien which is subject to the same lien priority in the case of delinquency as ad valorem property taxes. Pursuant to the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, enacted by Congress on April 14, 2005, the lien for special taxes established after the filing of a petition in bankruptcy will be treated thereafter as a lien for ad valorem taxes. However, the amount of any such lien on property with delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien. The amount of the delinquent Special Taxes in excess of the reduced lien would then be treated as an unsecured claim by the court.

Any prohibition of or delay in the enforcement of the Special Tax lien would increase the likelihood of a delay or default in payment of the principal of and interest on the 2015 Bonds. Because a substantial portion of the taxable property in the District is initially owned by the Developer, the payment of Special Taxes and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax could be substantially curtailed by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. No assurances can be given that any financial difficulties experienced by the Developer will not adversely affect the completion of the Development.

Direct and Overlapping Indebtedness

The ability of an owner of land within the District to pay the Special Taxes could be affected by the existence of other taxes and assessments imposed upon the property. In addition, other public agencies whose boundaries overlap those of the District could, without the consent of the District, and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the property within the District in order to finance public improvements to be located inside of or outside of the District. The lien created on the property within the District through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Taxes.

Table 6 below sets forth the current direct and overlapping debt on the property in the District, as reported by the Special Tax Consultant:

Table 6
City of Tustin
Community Facilities District No. 2014-1
(Tustin Legacy/Standard Pacific)
Direct and Overlapping Debt

I. District Value

Appraised Valuation as of September 1, 2015⁽¹⁾ \$178,215,000

II. Land Secured Bond Indebtedness⁽²⁾

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Amount Applicable
CITY OF TUSTIN CFD 2014-1 (TUSTIN LEGACY/STANDARD PACIFIC)	CFD	\$27,665,000	\$27,665,000	100.000%	\$27,665,000
Total Land Secured Bonded Debt					\$27,665,000
Authorized but Unissued Direct and Overlapping Indebtedness	Type	Authorized	Unissued	% Applicable	Amount Applicable
CITY OF TUSTIN CFD 2014-1 (TUSTIN LEGACY/STANDARD PACIFIC)	CFD	\$29,000,000	\$1,335,000	100.000%	1,335,000 ⁽⁴⁾
Total Unissued Land Secured Indebtedness					\$1,335,000
TOTAL OUTSTANDING AND UNISSUED LAND SECURED INDEBTEDNESS⁽¹⁾					\$29,000,000

III. General Obligation Bond Indebtedness⁽⁶⁾

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Amount Applicable
METROPOLITAN WATER DEBT SERVICE	GO	\$850,000,000	\$110,420,000	0.003192%	\$ 3,525
TUSTIN UNIFIED SCHOOL DISTRICT 2002 ELECTION	GO	79,998,528	52,914,328	0.547621	289,770
TUSTIN UNIFIED SCHOOL DISTRICT 2008 ELECTION	GO	95,000,000	90,495,000	0.567979	513,993
TUSTIN UNIFIED SCHOOL DISTRICT 2012 ELECTION	GO	35,000,000	32,535,000	0.374188	121,742
IRVINE RANCH WATER DISTRICT	GO	38,600,000	35,387,500	9.871592	3,493,310
Total General Obligation Bonded Debt					\$4,422,340
Authorized but Unissued Direct and Overlapping Indebtedness	Type	Authorized	Unissued	% Applicable	Amount Applicable
METROPOLITAN WATER DEBT SERVICE	GO	\$850,000,000	\$0	0.003192%	\$0
TUSTIN UNIFIED SCHOOL DISTRICT 2002 ELECTION	GO	80,000,000	0	0.547621	0
TUSTIN UNIFIED SCHOOL DISTRICT 2008 ELECTION	GO	95,000,000	0	0.567979	0
TUSTIN UNIFIED SCHOOL DISTRICT 2012 ELECTION	GO	135,000,000	100,000,000 ⁽⁵⁾	0.374188	374,188
IRVINE RANCH WATER DISTRICT	GO	113,417,500	74,817,500	9.871592	7,385,678
Total Unissued General Obligation Indebtedness					\$7,759,866
TOTAL OUTSTANDING AND UNISSUED GENERAL OBLIGATION INDEBTEDNESS					\$12,182,206

TOTAL OF ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	\$32,087,340
TOTAL OF ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING INDEBTEDNESS	\$41,182,206

IV. Ratios to Appraised Valuation

Outstanding Land Secured Bonded Debt 6.44:1
Total Outstanding Bonded Debt 5.55:1

- (1) Based on the Updated Appraisal Report. See "SECURITY FOR THE 2015 BONDS – Land Value" and Appendix C – Initial Appraisal Report and Updated Appraisal Report.
- (2) The Special Tax Consultant advises that it is not aware of any other bonded indebtedness with associated tax levies on parcels in the District, as no ad valorem taxes were enrolled by the County for the parcels for Fiscal Year 2014-15 because the City owned all of the property in the District as of January 1, 2014 (the lien date for fiscal year 2014-15 ad valorem taxes), and so the property was exempt from such taxes.
- (3) The principal amount of the 2015 Bonds.
- (4) The Indenture allows for issuance of Additional Bonds secured on a parity with the 2015 Bonds, but only for purposes of refunding outstanding Bonds (see "SECURITY FOR THE 2015 BONDS – Additional Bonds Only for Refunding). Preliminary, subject to change.
- (5) Includes \$100,000,000 remaining authorization from a November 6, 2012 election.
- (6) Information pertaining to General Obligation Bond Indebtedness is as of June 1, 2015.
- Source: Albert A. Webb Associates.

Hazardous Materials

While government taxes, assessments and charges are a common claim against the value of a taxed parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to pay the Special Tax is a claim with

regard to a hazardous substance. In general, the owners and operators of a taxed parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1989, sometimes referred to as "CERCLA" or "Superfund Act," is a well known one of these laws, but California laws with regard to hazardous substances are also stringent and somewhat similar. Under many of these laws, the owner (or operator) is obligated to remediate hazardous substances on, under or about the property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance; however, an owner (or operator) who is not at fault may seek recovery of its damages from the actual wrongdoer. The effect, therefore, should any of the taxed parcels be affected by a hazardous substance, may be to reduce the marketability and value of the parcel, because the purchaser, upon becoming an owner, may become obligated to remedy the condition just as is the seller. The City has advised that due to the prior military use of the property, no remediation of the property was required.

The Initial Appraisal Report makes reference to a Phase II Environmental Assessment Report for the property in the District, dated September 17, 2013. While that report did not detect any elevated concentrations of chlorinated pesticides or of lead or other California Title 22 metals, or any detection of selenium above its laboratory reporting limit, cobalt was detected in certain areas. The Developer has advised that the cobalt was detected in a single area, and that it was excavated and disposed of offsite.

Geologic, Topographic and Climatic Conditions

The market value of the land and improvements within the District can be adversely affected by factors which may affect infrastructure and other public improvements in the District, and the private improvements to the parcels in the District and the continued usability of such private improvements. These factors include, without limitation, geologic conditions (such as earthquakes), topographic conditions (such as earth movements) and climatic conditions (such as floods, droughts and fire hazard).

The Appraiser notes in the Appraisal Report that the property in the District is not currently located in a designated Earthquake Study Zone as determined by the State Geologist. The Appraiser also notes in the Appraisal Report that the property in the District is located in a Zone "X" flood designated area according to the Federal Emergency Management Agency, indicating an area of minimal flooding.

However, like other areas of Southern California, property in the District is subject to the risk of major earthquake damage. Known active faults that could cause significant ground shaking in the District include, but are not limited to, the San Andres Fault and the Newport Beach/Inglewood Fault. It should be assumed, therefore, that an earthquake or one or more of such other conditions may occur and may cause damage to improvements on parcels in the District of varying seriousness, that such damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate usability or because other considerations may preclude such repair or replacement. Consequently, the occurrence of any of these conditions could result in a significant decrease in the market value of property in the District or in such property becoming unmarketable.

Property Interest of Government Agencies; Federal Deposit Insurance Corporation

The District's ability to collect interest and penalties specified by State law and to foreclose the lien of a delinquent Special Tax payment may be limited in certain respects with regard to properties in which the Internal Revenue Service, the Drug Enforcement Agency, the

Federal Deposit Insurance Corporation (the "FDIC") or other similar federal agencies has or obtains an interest.

General. The supremacy clause of the United States Constitution reads as follows: "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding." The foregoing is generally interpreted to mean that, unless the United States Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the District but does not pay taxes and assessments levied on the parcel (including the Special Taxes), the applicable State and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments. Moreover, unless the United States Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson* 597 F.2d 174 (9th Cir. 1979), the United States Court of Appeal, Ninth Circuit (the "Ninth Circuit"), held that FNMA is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

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

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

The Policy Statement states that the FDIC generally will not pay non ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Law and a special tax formula which determines the special tax due each year, are specifically identified in the Policy Statement as being imposed

each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from special taxes levied pursuant to the Law.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to a parcel in which the FDIC has an interest, although prohibiting the lien of the FDIC to be foreclosed on at a judicial foreclosure sale would likely reduce the number of or eliminate the persons willing to purchase such a parcel at a foreclosure sale. Owners of the 2015 Bonds should assume that the District will be unable to foreclose on any parcel owned by the FDIC. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, a default in payment of the 2015 Bonds. The District has not undertaken to determine whether the FDIC currently has, or is likely to acquire, any interest in any of the parcels, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the 2015 Bonds are outstanding.

Disclosure to Future Property Owners or Lenders

The District has recorded a Notice of Special Tax Lien in the Office of the County Recorder. While title insurance and search companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider the Special Tax obligation imposed on parcels in the District in the purchase of lots in the Development, or a portion thereof or the lending of money thereon. Under the Law, the Developer will also have an obligation to disclose the existence of the Special Taxes to homebuyers. Failure to disclose the existence of the Special Tax may affect the willingness and ability of future owners of the Development to pay the Special Tax when due.

Non-Cash Payments of Special Taxes

Under the Law, the District may reserve to itself the right and authority to allow the owner of any taxable parcel to tender a Bond in full or partial payment of any installment of the Special Taxes or the interest or penalties thereon. A Bond so tendered is to be accepted at par and credit is to be given for any interest accrued thereon to the date of the tender. Thus, if Bonds can be purchased in the secondary market at a discount, it may be to the advantage of an owner of a taxable parcel to pay the Special Tax applicable thereto by tendering a Bond. Such a practice would decrease the cash flow available to the District to make payments with respect to any 2015 Bonds then outstanding; and, unless the practice was limited by the District, the Special Tax paid in cash could be insufficient to pay the debt service due with respect to the 2015 Bonds. In order to provide some protection against the potential adverse impact on cash flows which might be caused by the tender of Bonds in payment of the Special Tax, the Indenture includes a covenant pursuant to which the District will not authorize owners of taxable parcels to satisfy Special Tax obligations by the tender of Bonds unless the District shall have first obtained a report of an Independent Financial Consultant certifying that doing so would not result in the District having insufficient Net Special Tax Revenues to pay the principal of and interest on all Outstanding Bonds when due.

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

An owner of a property is not personally obligated to pay the Special Tax. The Special Tax is an obligation which is secured only by a lien against the property on which it is levied. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the payment of the Special Tax, the District has no recourse against the owner. See "SPECIAL RISK FACTORS – Direct and Overlapping Indebtedness" for a table showing overlapping indebtedness payable from taxes to be levied on parcels in the District.

Limitations on Remedies

Remedies available to the owners of the 2015 Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the 2015 Bonds or to preserve the tax-exempt status of the 2015 Bonds.

Bond Counsel has limited its opinion as to the enforceability of the 2015 Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, or other similar laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners of the 2015 Bonds.

Loss of Tax Exemption

As discussed under the caption "CONCLUDING INFORMATION – Tax Matters" herein, interest on the 2015 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2015 Bonds were issued, as a result of future acts or omissions of the City or the District in violation of its covenants in the Indenture. Should such an event of taxability occur, the 2015 Bonds are not subject to a special redemption and will remain outstanding until maturity or until redeemed under one of the other redemption provisions contained in the Indenture.

In addition, legislation affecting the tax exemption of interest on the 2015 Bonds may be considered by the United States Congress and the State legislature. Federal and state court proceedings and the outcome of such proceedings could also affect the tax exemption of interest on the 2015 Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of delivery of the 2015 Bonds will not have an adverse effect on the tax exemption of interest on the 2015 Bonds or the market value of the 2015 Bonds.

Proceedings to Reduce or Terminate the Special Tax

An initiative measure commonly referred to as the "Right to Vote on Taxes Act" (the "Initiative") was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIC and Article XIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." The provisions of the Initiative have not yet been interpreted by the courts, although a number of lawsuits have been filed by local agencies requesting the courts to interpret various aspects of the Initiative.

Among other things, Section 3 of Article XIII states that "... the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure, which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the 2015 Bonds.

It may be possible, however, for voters or the District to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the 2015 Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the 2015 Bonds. The District has covenanted in the Indenture that it will not initiate proceedings under the Law to modify the Special Tax Formula if such modification would adversely affect the Net Special Tax Revenues pledged as the security for the Bonds. The Indenture further provides that, if an initiative or referendum measure is proposed that purports to modify the Special Tax Formula in a manner that would adversely affect the security for the Bonds, the District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Special Tax Formula in a manner that would adversely affect the security for the Bonds. No assurance can be given as to the enforceability of the foregoing covenants.

The interpretation and application of the Initiative will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts.

Court Action Involving Landowner-Voted Special Tax District

On August 1, 2014, in a decision in *City of San Diego. v. Melvin Shapiro*, an Appellate Court invalidated an election held by the City of San Diego (the term “City” as used in this paragraph and the next paragraph means the City of San Diego) to authorize the levying of special taxes on hotels City-wide pursuant to a City charter ordinance creating a convention center facilities district (the “CCFD”) much like a community facilities district established under the provisions of the Act. While the CCFD is comprised of all of the real property in the entire City, the special tax was to be levied only on hotel properties located within the CCFD. At the election to authorize such special tax, the electorate was defined to consist solely of (a) the owners of real property in the City on which a hotel is located, and (b) the lessees of real property owned by a governmental entity on which a hotel is located. Such approach to determining who would constitute the qualified electors of the CCFD was based on Section 53326(c) of the Law, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that such landowners and lessees are neither “qualified electors” of the City for purposes of Articles XIII A, Section 4 of the California Constitution, nor a proper “electorate” under Article XIII C, Section 2(d) of the California Constitution.

The Court specifically noted that the decision did not require the Court to consider the distinct question of whether landowner voting to impose special taxes under Section 53326(b) of the Law (which was the nature of the voter approval through which the District was formed, as the City of Tustin was the sole owner of the land in the District at the time of the District formation) violates the California Constitution in districts that lack sufficient registered voters to conduct an election among registered voters. In the case of the CCFD, at the time of the election all of the registered voters in the City were within the CCFD. With respect to the District, there were no registered voters within the District at the time of the election to authorize the Special Tax and issuance of bonds by the District. Thus, by its terms, the Court’s holding does not apply to the formation and Special Tax election in the District.

Moreover, Section 53341 of the Law provides that any “action or proceeding to attack, review, set aside, void or annul the levy of a special tax...shall be commenced within 30 days after the special tax is approved by the voters.” Similarly, Section 53359 of the Law requires that

any action to determine the validity of bonds issued pursuant to the Law be brought within 30 days of the voters approving the issuance of such bonds. Also, Section 860 et seq. of the California Code of Civil Procedure effectively provides that any legal challenge to the 2015 Bonds and the Indenture be filed within 60 days of the date the Indenture and the 2015 Bonds were approved by the City Council of the City of Tustin. The City of Tustin, as the sole qualified elector in the District at the time, approved the Special Tax and the issuance of bonds for the District on June 17, 2014; and the 2015 Bonds were authorized to be issued and the Indenture and the Bonds were approved by a resolution adopted by the City Council of the City of Tustin, as the legislative body of the District, on September 16, 2014. The District is not aware of any action being filed challenging the formation of the District, the authority to levy the Special Tax on property in the District, or the validity or enforceability of the Indenture or the 2015 Bonds. See “CONCLUDING INFORMATION – Absence of Litigation – The District.” Given the foregoing, the District believes that no successful challenge to the levy of the Special Tax in the District or the issuance or validity of the 2015 Bonds may now be brought.

Secondary Markets and Prices

The Underwriter will not be obligated to repurchase any of the 2015 Bonds, and no representation is made concerning the existence of any secondary market for the 2015 Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the 2015 Bonds, and no assurance can be given that the initial offering prices for the 2015 Bonds will continue for any period of time.

Although the District and the Developer have committed to provide certain ongoing financial and operating information (see “CONCLUDING INFORMATION – Continuing Disclosure”), there can be no assurance that such information will be available to 2015 Bondowners on a timely basis. The failure to provide the required information does not give rise to monetary damages but only an action for specific performance. Occasionally, because of general market conditions, lack of current information, or the absence of a credit rating for bonds, or because of adverse history or economic prospects associated with a particular bond issue, secondary marketing practices in connection with a bond issue are suspended or terminated. Also, prices of bond issues for which a market may be made will depend upon current circumstances, and could be substantially different from the original purchase price.

IRS Audit of Tax-Exempt Issues

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt issues, including both random and targeted audits. It is possible that the 2015 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2015 Bonds might be affected as a result of such an audit of the 2015 Bonds (or by an audit of similar obligations). See also “CONCLUDING INFORMATION – Tax Matters.”

No Acceleration Provision

The 2015 Bonds do not contain a provision allowing for the acceleration of the unpaid principal of the 2015 Bonds in the event of a payment default or other default under the terms of the 2015 Bonds or the Indenture.

CONCLUDING INFORMATION

Continuing Disclosure

The District and the Developer each have agreed for the benefit of the Owners of the 2015 Bonds, in separate Continuing Disclosure Agreements, to provide annually certain

financial information and operating data, and to provide notices of the occurrence of certain enumerated events. In addition, the Developer has agreed to provide mid-year reports with certain limited information. See Appendix H – Forms of Continuing Disclosure Certificates. The covenants in the Continuing Disclosure Agreement of the District have been made by the District in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

A failure by the District or the Developer to comply with its respective continuing disclosure obligations will not constitute a default under the Indenture. However, the Continuing Disclosure Agreements provide that, in the event of a failure of the District or the Developer, as applicable, to comply with any provision of their respective Continuing Disclosure Agreement, any 2015 Bond owner, any Beneficial Owner, the Trustee or the Underwriter may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause it to comply with its obligations under its respective Continuing Disclosure Agreement. The sole remedy under each Continuing Disclosure Agreement in the event of any failure of the District to comply with the respective Continuing Disclosure Agreement is an action to compel performance.

The Developer has agreed in its Continuing Disclosure Agreement that, if a portion of the property owned by the Developer, or any Affiliate of the Developer, in the District is conveyed to a Person (as defined therein) that, upon such conveyance, will be a Major Developer (as described below), the obligations of the Developer thereunder with respect to the property owned by such Major Developer and its Affiliates, and with respect to the improvements or payments necessary to cause the Planned Development Stage to be reached that such Major Developer, or an Affiliate thereof, intends or is obligated (contractually or otherwise) to make or cause to be made, may be assumed by such Major Developer or by an Affiliate thereof. The Developer has entered into a contract to sell 77 of the lots in the District to Brookfield Homes, which is not currently expected to, but may, result in an assumption of the obligations of the Developer under its Continuing Disclosure Agreement with respect to such 77 lots (the portion of the annual Special Tax obligation for such lots has been projected by the Special Tax Consultant to be slightly less than twenty percent (20%) of the overall Special Tax obligation of the parcels in the District for fiscal year 2015-16, and Brookfield Homes is acquiring the 77 lots in phases). However, no assurance can be given that such sale of lots or any otherwise-required assumption will occur.

The Developer’s obligation to provide continuing annual, mid-year and significant event disclosure will terminate if and when the Developer is no longer a “Major Developer” as defined in the Continuing Disclosure Agreement to which it is a party. Major Developer includes the Developer and any Affiliate if they own property in the District that has not reached the Planned Development Stage (as such capitalized terms are defined in the Developer’s Continuing Disclosure Agreement) that is subject to twenty percent (20%) or more of the Special Tax levy for the then current fiscal year. The term “Planned Development Stage” is defined to mean, with respect to any portion of the property in the District, the stage of development to which the Developer intends to develop such property, as described in this Official Statement, which is the stage at which such portion of the property is ready to be presented to the marketplace as a finished residential unit.

The District has not had any prior continuing disclosure obligations under the Rule. The City will assist the District in preparing its continuing disclosure reports. The City has advised that during the past five years, the City, other Community Facilities Districts for which the City Council is the legislative body (the “Other CFDs”), and the former Tustin Community Redevelopment Agency (the “Former Agency”) have on occasion failed to comply in certain material respects with previous continuing disclosure undertakings pursuant to Rule 15c2-12(b)(5) promulgated under the Securities and Exchange Act of 1934, as amended, including, but not limited to, the failure to timely file certain notices of bond calls, and failure to timely file

annual reports and audited financial statements for some of the City's, the Other CFDs and the Former Agency's debt obligations. However, the City has since brought current all past delayed filings and is currently in compliance with its, the Other CFD's and the Former Agency's continuing disclosure undertakings. In addition, on December 16, 2014, the City Council of the City approved disclosure procedures for public debt issuances and related disclosure obligations applicable to the City and other entities created by the City Council, including the District.

The Developer has advised the District that it may have entered into numerous continuing disclosure obligations for other bond issues, but over the past five years the Developer experienced various division consolidations and office closures. Additionally, various employees previously responsible for certain continuing disclosure compliance are no longer with the company and files from past bond issuance are not in a centralized location. Consequently, the Developer cannot accurately state whether or not it and all of its divisions have complied in all material respects with their prior continuing disclosure obligations undertakings. However, at the time of delivery and payment for the 2015 Bonds, the Developer will deliver a certificate to the effect that to the Actual Knowledge of the Developer (as defined in such certificate), the Developer has never failed in any material respect to comply with previous undertakings by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in Southern California within the past five years; except that (a) some reports may have been filed past their due dates and (b) pursuant to the terms of a continuing disclosure agreement executed by the Developer in connection with a 2006 issuance of special tax bonds by Community Facilities District No. 14 (Del Sur) of the Poway Unified School District, the Developer failed to file a Notice to Repositories of Termination of Reporting Obligations by the required report date; however, the Developer has subsequently made such filing.

Absence of Litigation

The District. At the time of delivery of and payment for the 2015 Bonds, the District will deliver a certificate to the effect that there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, pending with respect to which the District has been served with process or known by the official of the District executing the Bond Purchase Agreement with the Underwriter for the 2015 Bonds to be threatened, which in any way questions the powers of the City Council or the District with respect to the District entering into the Indenture or the Continuing Disclosure Agreement, or the issuance, sale and delivery of the 2015 Bonds, or the validity of any proceeding taken by the City Council in connection with the issuance of the 2015 Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions on the part of the District contemplated by any of such documents, or which, in any way, could adversely affect the validity or enforceability of the resolutions adopted by the City Council with respect to the District and the ordinance levying Special Taxes in the District, the Indenture, the 2015 Bonds or the Bond Purchase Agreement or which in any way questions the exclusion from gross income of the recipients thereof of the interest on the 2015 Bonds for federal income tax purposes or in any other way questions the status of the interest on the 2015 Bonds under State tax law or regulations.

The Developer. At the time of delivery and payment for the 2015 Bonds, the Developer will deliver a certificate to the effect that to the Actual Knowledge of the Developer (as defined in such certificate), no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Developer (with proper service of process or proper notice to the Developer having been accomplished) or to the Actual Knowledge of the Developer, overtly threatened in writing against the Developer (a) which, if successful, is reasonably likely to materially and adversely affect the Developer's ability to complete the development and sale of the property owned by

the Developer in the District (the “Property”) as described herein, or to pay its Special Taxes, or ordinary ad valorem property tax obligations related to the Property when due;; or (b) which challenges or questions the validity or enforceability of the 2015 Bonds or the Continuing Disclosure Agreement to be executed by the Developer in connection with the issuance of the 2015 Bonds.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the 2015 Bonds is excluded from gross income for federal income tax purposes, and not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations.

In the further opinion of Bond Counsel, interest (and original issue discount) on the 2015 Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the 2015 Bonds may be included as an adjustment in calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of such corporations. In the opinion of Bond Counsel, the difference between the issue price of a 2015 Bond (the first price at which a substantial amount of the 2015 Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity of such 2015 Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Beneficial Owner will increase the Beneficial Owner’s basis in the applicable 2015 Bond. The amount of original issue discount that accrues to the Beneficial Owner of the 2015 Bonds is excluded from the gross income of such Beneficial Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income for federal income tax purposes of interest on the 2015 Bonds (including any original issue discount) is based upon certain representations of fact and certifications made by the District, the City, the Underwriter and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the 2015 Bonds to assure that interest on the 2015 Bonds (including any original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the 2015 Bonds (including any original issue discount) to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2015 Bonds. The District will covenant to comply with all such requirements.

The amount by which a Beneficial Owner’s original basis for determining loss on sale or exchange in the applicable 2015 Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Beneficial Owner’s basis in the applicable 2015 Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Beneficial Owner realizing a taxable gain when a 2015 Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2015 Bond to the Beneficial Owner. Purchasers of the 2015 Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2015 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2015 Bonds might be affected as a result of such an audit of the 2015 Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the 2015 Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the 2015 Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE 2015 BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE INTEREST ON THE 2015 BONDS OR THE MARKET VALUE OF THE 2015 BONDS. THE INTRODUCTION OR ENACTMENT OF ANY OF SUCH CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE 2015 BONDS. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE EXECUTION AND DELIVERY OF THE 2015 BONDS, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE 2015 BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE 2015 BONDS.

Bond Counsel's opinion may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the 2015 Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (and original issue discount) with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel will render an opinion that interest on the 2015 Bonds (including any original issue discount) is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the accrual or receipt of interest on the 2015 Bonds (including any original issue discount) may otherwise affect the tax liability of the recipient. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, all potential purchasers should consult their tax advisors before purchasing any of the 2015 Bonds.

A copy of the proposed form of opinion of Bond Counsel for the 2015 Bonds is included in Appendix B.

Legal Matters Incident to the Issuance of the 2015 Bonds

Certain legal matters incident to the authorization and issuance of the 2015 Bonds are subject to the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, acting in its capacity as Bond Counsel. Certain legal matters will be passed upon for the District by Woodruff, Spradlin & Smart, A Professional Corporation, Costa Mesa, California, acting as the City Attorney, and by Quint & Thimmig LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Jones

Hall, A Professional Law Corporation, San Francisco, California, Underwriter's Counsel. Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon the sale and issuance of the 2015 Bonds.

The various legal opinions to be delivered concurrently with the delivery of the 2015 Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Municipal Advisor

The District has retained Fieldman Rolapp & Associates, Irvine, California, as municipal advisor (the "Municipal Advisor") in connection with the preparation of this Official Statement and with respect to the issuance of the 2015 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent registered municipal financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

No Rating

The 2015 Bonds are not rated. No application has been made by the District to any rating agency for the assignment of a municipal bond credit rating for the 2015 Bonds.

Underwriting

The 2015 Bonds are being purchased by the Underwriter for a price of \$29,130,753.20, which is equal to the initial principal amount of the 2015 Bonds, plus a net original issue premium of \$1,672,978.20, and less an Underwriter's discount of \$207,225.00. The Underwriter has committed to purchase all of the 2015 Bonds if any of the 2015 Bonds are purchased. The 2015 Bonds are being offered for sale to the public at the prices set forth on the inside cover page of this Official Statement, which prices may be changed by the Underwriter from time to time without notice. The 2015 Bonds may be offered and sold to dealers, including the Underwriter and dealers acquiring 2015 Bonds for their own account or an account managed by them, at prices lower than the public offering price.

The initial public offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the 2015 Bonds to certain dealers, dealer banks, banks acting as agents and others at prices lower than said public offering prices.

Miscellaneous

Any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract or agreement between the District or the Underwriter and the purchasers or the owners of any of the 2015 Bonds.

The execution and delivery of this Official Statement by the District has been duly authorized by the City Council, acting as the legislative body of the District.

CITY OF TUSTIN COMMUNITY
FACILITIES DISTRICT NO. 2014-1
(TUSTIN LEGACY/STANDARD PACIFIC)

By: /s/ Jeffrey C. Parker
City Manager,
City of Tustin

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APPENDIX A

SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Indenture not otherwise described in the text of this Official Statement. This summary is not intended to be definitive, and reference is made to the text of the Indenture for the complete provisions thereof.

DEFINITIONS

The following are some of the terms which are defined in the Indenture. Unless the context otherwise requires, the following terms have the following meanings.

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

“Additional Bonds” means Bonds other than Series 2015A Bonds issued under the Indenture.

“Administrative Expense Fund” means the fund by that name established under the Indenture and held by the Community Facilities District.

“Administrative Expenses” means costs directly related to the administration of the Community Facilities District, consisting of the costs of computing the Special Taxes and preparing the annual Special Tax schedules and the costs of collecting the Special Taxes, the costs of remitting the Special Taxes to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture, including but not limited to matters related to the costs incurred by the Community Facilities District in complying with the disclosure provisions of any continuing disclosure undertaking and the Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of the Community Facilities District related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the Community Facilities District to comply with the Indenture, an allocable share of the salaries of the staff of the City providing services on behalf of the Community Facilities District directly related to the foregoing and a proportionate amount of general administrative overhead of the City related thereto, and the costs of collection (including foreclosure) of delinquent Special Taxes.

“Administrative Expenses Cap” means \$30,000 per Fiscal Year, escalating two percent (2%) each July 1, beginning July 1, 2016.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

“Appraisal” means an appraisal performed by an Appraiser within ninety (90) days preceding the date of such determination based upon a methodology of valuation consistent with the City’s policy for appraisals.

“Appraiser” means an appraiser, who shall be a State of California certified general real estate appraiser selected and employed by the Community Facilities District.

“Auditor” means the auditor of the County of Orange.

“Authorized Representative” means, with respect to the Community Facilities District, the Finance Director or the City Manager of the City, and any other Person designated as an Authorized Representative of the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee.

“Average Annual Debt Service” means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

“Bond Counsel” means a firm of nationally recognized bond counsel selected by the Community Facilities District.

“Bond Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Bond Year” means each twelve-month period beginning on September 2 in each year and extending to the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2016.

“Bonds” means the City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) Special Tax Bonds issued under the Indenture, and includes the Series 2015A Bonds and any Additional Bonds.

“Book-Entry Bonds” means the Bonds of a Series registered in the name of the Depository, or the Nominee thereof, as the registered owner thereof pursuant to the terms and provisions of the Indenture.

“Business Day” means a day which is not (a) a Saturday, Sunday or legal holiday in the State, (b) a day on which banking institutions in the State, or in any state in which the Office of the Trustee is located, are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to a Series of Book-Entry Bonds.

“City” means the City of Tustin, California, a general law city organized and existing under the laws of the State, and any successor thereto.

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

“City Facilities” means that portion of the Project to be owned by the City.

“City Facilities Account” means the account of the Improvement Fund by that name established and held by the Trustee pursuant to the Indenture.

“Closing Date” means the date upon which the Series 2015A Bonds are delivered to the Original Purchaser, being November 5, 2015.

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

“Community Facilities District” means City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy / Standard Pacific), a community facilities district formed and existing under the laws of the State of California, and any successor thereto.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Community Facilities District relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, Bond insurance premiums and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Defeasance Securities” means (a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), and (b) obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America.

“Developer” means CalAtlantic Group, Inc., a Delaware corporation, and its successors.

“Developer Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of the date of the Indenture, by and between the Developer and the Webb, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“District Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of the date of the Indenture, by and between the Community Facilities District and Webb, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Depository” means DTC, and its successors as securities depository for any Series of Book-Entry Bonds, including any such successor appointed pursuant to the Indenture.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York.

“EMMA” means the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org, or any successor thereto.

“Event of Default” means any event listed in the default provisions of the Indenture.

“Extraordinary Administrative Expenses” means Administrative Expenses required for extraordinary Community Facilities District events such as foreclosure actions against delinquent taxpayers within the Community Facilities District required to be prosecuted pursuant to the Indenture, the approval and implementation of actions requiring Owner consent under the Indenture, or actual or threatened Owner or property owner litigation arising out of the Bonds or the Community Facilities District.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period selected and designated as the official fiscal year period of the Community Facilities District.

“Improvement Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Indenture” means the Indenture of Trust dated as of November 1, 2015, by and between the Community Facilities District and the Developer, as originally executed and as it may be amended or supplemented from time to time by any Supplemental Indenture.

“Independent Consultant” means any consultant or firm of such consultants selected by the Community Facilities District and who, or each of whom (a) is generally recognized to be qualified in the financial consulting field, (b) is in fact independent and not under the domination of the Community Facilities District or the City, (c) does not have any substantial interest, direct or indirect, with or in the Community Facilities District or the City, or any owner of real property in the Community Facilities District, or any real property in the Community Facilities District, and (d) is not connected with the Community Facilities District or the City as an officer or employee thereof, but who may be regularly retained to make reports to the Community Facilities District or the City.

“Interest Payment Dates” means March 1 and September 1 of each year, commencing March 1, 2016, so long as any Bonds remain Outstanding.

“Letter of Representations” means the Letter of Representations from the Community Facilities District to the Depository, or any successor securities depository for any Series of Book-Entry Bonds, in which the Community Facilities District makes certain representations with respect to issues of its securities for deposit by the Depository or such successor depository.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made.

“Mitigation Agreement” means the School Facilities Implementation, Funding and Mitigation Agreement by and among the Community Facilities District, the City and the School District, dated as of August 25, 2015, as amended from time to time.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“Net Special Tax Revenues” means Special Tax Revenues, less amounts required to pay Administrative Expenses not in excess of the Administrative Expenses Cap in any Fiscal Year.

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

“Office of the Trustee” means (a) the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Community Facilities District by the Trustee in writing, and (b) with respect to presentation of Bonds for payment or

for registration of transfer and exchange, the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Ordinance” means Ordinance No. 1445 adopted by the City Council on July 1, 2014, as originally adopted and as it may be amended from time to time.

“Original Purchaser” means the original purchaser of the Series 2015A Bonds from the Community Facilities District.

“Outstanding” means, when used as of any particular time with reference to Bonds, subject to the provisions of the Indenture, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation, (b) Bonds with respect to which all liability of the Community Facilities District shall have been discharged in accordance with the Indenture, including Bonds (or portions of Bonds) disqualified under the Indenture, and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

“Owner” means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

“Participant” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

“Participating Underwriter” has the meaning ascribed thereto in the District Continuing Disclosure Agreement and the Developer Continuing Disclosure Agreement.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (the Trustee is entitled to rely upon the investment direction of the Community Facilities District in determining such investment is a legal investment):

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

(2) Federal Housing Administration debentures.

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

- Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior Debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes
- Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
- Federal National Mortgage Association (FNMA)
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
- Financing Corporation (FICO)
Debt obligations
- Resolution Funding Corporation (REFCORP)
Debt obligations

(4) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank (including the Trustee and any affiliate) the short-term obligations of which are rated "A-1" or better by S&P.

(5) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks (including the Trustee and any affiliate) which have capital and surplus of at least \$5 million.

(6) Commercial paper (having original maturities of not more than 270 days rated "A-1+" by S&P and "Prime-1" by Moody's).

(7) Money market funds rated "AAm" or "AAm-G" by S&P, or better (including those of the Trustee or its affiliates).

(8) "State Obligations," which means:

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

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

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

(9) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

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

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

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

(D) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by a trustee in trust for owners of the municipal obligations;

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

(F) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee.

(10) Repurchase agreements:

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

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

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

(c) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral,

any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

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

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

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

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

(B) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Community Facilities District and the Trustee agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

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

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

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

(1) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and

federal laws (other than by means of entries on the provider's books) to the Community Facilities District, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment; and

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

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

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

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

(2) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Community Facilities District or Trustee, as appropriate.

(12) The State of California Local Agency Investment Fund; provided that the Trustee may restrict investments in such Fund to the extent necessary to keep moneys available for the purposes of the Indenture.

"Person" means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Project" means the facilities authorized to be financed by the Community Facilities District, as more particularly described in the Resolution of Formation.

"Property" means the taxable property within the Community Facilities District pursuant to the Rate and Method.

“Rate and Method” means the rate and method of apportionment of the Special Taxes approved by the qualified electors of the Community Facilities District.

“Rebate Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Rebate Requirement” has the meaning ascribed thereto in the Tax Certificate.

“Record Date” means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Redemption Price” means the aggregate amount of principal of and premium, if any, on the Bonds upon the redemption thereof pursuant to the Indenture.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to the Indenture.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Reserve Requirement” means, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, (c) 125% of Average Annual Debt Service.

“Resolution of Formation” means Resolution No. 14-40, adopted by the City Council on June 17, 2014, as originally adopted and as it may be amended or supplemented from time to time.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“School District” means the Tustin Unified School District.

“School District Joint Community Facilities Agreement” means the Joint Community Facilities Agreement, dated as of August 24, 2015, by and among the City, the School District, and the Developer, as amended or assigned and assumed.

“School Facilities” means that portion of the Project to be owned by the School District pursuant to the Mitigation Agreement and the School District Joint Community Facilities Agreement.

“School Facilities Account” means the account of the Improvement Fund by that name established and held by the Trustee pursuant to the Indenture.

“Series” means the initial series of Bonds executed, authenticated and delivered on the date of initial issuance of the Bonds and identified pursuant to the Indenture as the Series 2015A Bonds, and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

“Series 2015A Bonds” means the City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) Special Tax Bonds, Series 2015A, issued under the Indenture.

“Special Taxes” means the special taxes described in the Rate and Method as “Special Tax A” levied within the Community Facilities District pursuant to the Act, the Ordinance and the Indenture.

“Special Tax Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Special Tax Consultant” means Webb or any successor entity appointed by the City to administer the calculation and collection of the Special Taxes.

“Special Tax Revenues” means the proceeds of the Special Taxes received by or on behalf of the Community Facilities District, including any prepayments thereof, interest and penalties thereon, proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes and proceeds of any security for payment of Special Taxes taken in lieu of foreclosure after payment of administrative costs and attorneys’ fees payable from proceeds of such redemption, sale or security.

“State” means the State of California.

“Supplemental Indenture” means any supplemental indenture amendatory of or supplemental to the Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

“Tax Certificate” means the Tax Certificate executed by the Community Facilities District at the time of issuance of the Series 2015A Bonds to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee under the Indenture, substituted in its place as provided therein.

“Verification Report” means, with respect to the deemed payment of Bonds pursuant to the Indenture, a report of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of the Indenture.

“Webb” means Albert A. Webb Associates and any successors or assigns thereof under the District Continuing Disclosure Agreement.

“Written Certificate” and **“Written Request”** of the Community Facilities District mean, respectively, a written certificate or written request signed in the name of the Community

Facilities District by an Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, the Indenture shall be deemed to be and shall constitute a contract among the Community Facilities District, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered under the Indenture and then Outstanding to secure the full and final payment of the principal of, premium, if any, and interest on all Bonds which may from time to time be authorized, executed, issued and delivered under the Indenture, subject to the agreements, conditions, covenants and provisions contained in the Indenture; and all agreements and covenants set forth therein to be performed by or on behalf of the Community Facilities District shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided therein.

BOND TERMS

Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Community Facilities District shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any authorized denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity of other authorized denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be obligated to make any transfer or exchange of Bonds of a Series pursuant to the Indenture during the period established by the Trustee for the selection of Bonds of such Series for redemption, or with respect to any Bonds of such Series selected for redemption.

Registration Books. The Trustee shall keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the Community Facilities District; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as provided in the Indenture.

Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Community Facilities District with the manual or facsimile signature of the Mayor of the City attested by the manual or facsimile signature of the City Clerk of the City. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers of the City who shall have signed or attested any of the Bonds shall cease to be such officers before the Bonds so

signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Community Facilities District, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Community Facilities District as though those who signed and attested the same had continued to be such officers, and also any Bonds may be signed and attested on behalf of the Community Facilities District by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the City although at the nominal date of such Bonds any such Person shall not have been such officer of the City.

Authentication of Bonds. Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in the Indenture for the Series 2015A Bonds, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered under the Indenture and are entitled to the benefits of the Indenture.

Temporary Bonds. The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the Community Facilities District, shall be in fully registered form without coupons and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond shall be executed by the Community Facilities District and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Community Facilities District issues temporary Bonds of a Series it shall execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of such Series and maturities in authorized denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under the Indenture as definitive Bonds of such Series authenticated and delivered under the Indenture.

Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Community Facilities District, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Community Facilities District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Community Facilities District, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like aggregate principal amount in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Community Facilities District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under the Indenture and of the expenses which may be incurred by the Community Facilities District and the Trustee. Any Bond of a Series issued under the provisions of the Indenture in lieu of any Bond of such Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Community Facilities District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and

shall be entitled to the benefits of the Indenture with all other Bonds of such Series secured by the Indenture.

CREATION OF FUNDS

Costs of Issuance Fund. The Trustee shall establish and maintain a separate fund designated the "Costs of Issuance Fund." On the Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to the Indenture.

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Community Facilities District stating (a) the Person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. On the date that is six months after the Closing Date, the Trustee shall (i) if the Improvement Fund has not been closed in accordance with the Indenture, transfer from the Costs of Issuance Fund to the Improvement Fund the amount remaining on deposit in the Costs of Issuance Fund on such date, and (ii) if the Improvement Fund has been closed in accordance with the Indenture, transfer from the Costs of Issuance Fund to the Bond Fund the amount remaining on deposit in the Costs of Issuance Fund on such date. Upon making such transfer or transfers, as the case may be, the Costs of Issuance Fund shall be closed.

If the Costs of Issuance Fund has been closed in accordance with the provisions of the Indenture, such Fund shall be reopened and reestablished by the Trustee in connection with the issuance of any Additional Bonds, if so provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued. There shall be deposited in the Cost of Issuance Fund the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Improvement Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Improvement Fund," and within the Improvement Fund shall establish a "City Facilities Account" and a "School Facilities Account." On the Closing Date, the Trustee shall deposit in the City Facilities Account and the School Facilities Account of the Improvement Fund the amounts required to be deposited therein pursuant to the Indenture.

(b) The moneys in the Improvement Fund shall be used and withdrawn by the Trustee from time to time to pay the costs of the Project upon submission to the Trustee of a Written Request of the Community Facilities District in substantially the forms attached to the Indenture stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment constitutes a cost of the Project and is a proper charge against the respective account of the Improvement Fund, and (v) that such amounts have not been the subject of a prior disbursement from the respective account of the Improvement Fund, together with a statement or invoice for each amount requested thereunder.

(c) Upon the filing of a Written Certificate of the Community Facilities District stating (i) that the portion of the Project to be financed from the Improvement Fund has been completed and that all costs of such Project have been paid, or (ii) that such portion of the Project has been substantially completed and that all remaining costs of such portion of the Project have been determined and specifying the amount to be retained therefor, the Community Facilities District shall direct the Trustee in a Written Certificate of the Community

Facilities District to transfer the remaining proceeds (less any retention) to (i) the Redemption Fund to redeem Bonds in accordance with the Indenture, (ii) the Bond Fund to pay the principal of and interest on the Bonds, or (iii) the Community Facilities District for any other lawful purpose, provided that the Trustee receive an opinion of Bond Counsel that such use of the remaining proceeds in the Improvement Fund, in and of itself, will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. Upon making such transfer or transfers, as the case may be, the Improvement Fund shall be closed.

REDEMPTION OF BONDS

Notice of Redemption. The Trustee on behalf and at the expense of the Community Facilities District shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books and to the Original Purchaser at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, if any, the Bond numbers and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole), and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption. With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid as provided in the Indenture, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Community Facilities District shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds of a Series, among maturities of Bonds of such Series as directed in a Written Request of the Community Facilities District, (b) with respect to any redemption pursuant to the Indenture and the corresponding provision of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a pro rata basis as nearly as practicable, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Community Facilities District shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Community Facilities District, a new Bond or Bonds of the same Series in authorized denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of the Indenture shall be canceled by the Trustee upon surrender thereof and destroyed by the Trustee.

SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Pledge. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act, the Community Facilities District pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Community Facilities District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

Special Tax Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Special Tax Fund." As soon as practicable after the receipt by the Community Facilities District of any Special Tax Revenues, the Community Facilities District shall transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund; provided, however, that with respect to any such Special Tax Revenues that represent prepaid Special Taxes that are to be applied to the redemption of Bonds in accordance with the provisions of the Indenture, said prepaid Special Taxes shall be identified as such in a Written Certificate of the Community Facilities District delivered to the Trustee at the time such prepaid Special Taxes are transferred to the Trustee, the portion of such prepaid Special Taxes to be applied to the Redemption Price of the Bonds to be so redeemed shall be identified in such Written Certificate of the Community Facilities District and shall be deposited by the Trustee in the Redemption Fund and the portion of such prepaid Special Taxes to be applied to the payment of interest on the Bonds to be so redeemed shall be identified in such Written Certificate of the Community Facilities District and shall be deposited by the Trustee in the Bond Fund.

(b) Upon receipt of a Written Request of the Community Facilities District, the Trustee shall withdraw from the Special Tax Fund and transfer to the Community Facilities District for deposit in the Administrative Expense Fund the amount specified in such Written Request of the Community Facilities District as the amount necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses and Extraordinary Administrative Expenses, in the event there are Extraordinary Administrative Expenses; provided, however, that, the total amount transferred in a Fiscal Year, commencing with the 2015-16 Fiscal Year, shall not exceed the Administrative Expenses Cap (plus Extraordinary Administrative Expenses in the event there are Extraordinary Administrative Expenses) until such time as there has been deposited to the Bond Fund an amount, together with any amounts already on deposit therein, that is sufficient to pay the interest and principal on and mandatory sinking fund payments of all Bonds due in such Bond Year and to restore the Reserve Fund to the Reserve Requirement.

On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer to the Community Facilities District for deposit in the Administrative Expense Fund, the Trustee shall withdraw from the Special Tax Fund and transfer, first, to the Bond Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Bond Fund to be equal to the principal and interest due on the Bonds on such Interest Payment Date, and, second, to the Reserve Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement.

Bond Fund. The Trustee shall establish and maintain a separate fund designated the "Bond Fund" therein. On the Closing Date, the Trustee shall deposit in the Bond Fund the amounts required to be deposited therein pursuant to the Indenture. The Trustee shall deposit in the Bond Fund from time to time the amounts required to be deposited therein pursuant to the Indenture. There shall additionally be deposited in the Bond Fund the portion, if any, of the proceeds of the sale of Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

On each Interest Payment Date, the Trustee shall withdraw from the Bond Fund for payment to the Owners of the Bonds the principal, if any, of and interest on the Bonds then due and payable, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds.

In the event that, on the Business Day prior to an Interest Payment Date, amounts in the Bond Fund are insufficient to pay the principal, if any, of and interest on the Bonds due and

payable on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Bond Fund.

Redemption Fund. (a) The Trustee shall establish and maintain a special fund designated the "Redemption Fund." As soon as practicable after the receipt by the Community Facilities District of prepaid Special Taxes, but in any event not later than ten Business Days after such receipt, the Community Facilities District shall transfer the portion of such prepaid Special Taxes to be applied to the Redemption Price of the Bonds to be redeemed from such prepaid Special Taxes to the Trustee for deposit in the Redemption Fund. Additionally, the Trustee shall deposit in the Redemption Fund amounts received from the Community Facilities District in connection with the Community Facilities District's exercise of its rights to optionally redeem Series 2015A Bonds pursuant to the Indenture and any other amounts required to be deposited therein pursuant to the Indenture or pursuant to any Supplemental Indenture.

(b) Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the Redemption Price of Series 2015A Bonds redeemed pursuant to the Indenture and to pay the Redemption Price of Additional Bonds redeemed under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(c) In lieu of the optional redemption of Bonds otherwise to be redeemed pursuant to the Indenture from amounts on deposit in the Redemption Fund, amounts on deposit in the Redemption Fund may, no later than 45 days prior to the date on which such Bonds are to be so redeemed, be used and withdrawn by the Trustee, upon the Written Request of the Community Facilities District, for the purchase of such Bonds at public or private sale at a purchase price (including brokerage and other charges, but excluding accrued interest, which is payable from the Bond Fund) that shall not exceed the Redemption Price of such Bonds.

Reserve Fund. (a) The Trustee shall establish and maintain a special fund designated the "Reserve Fund." On the Closing Date, the Trustee shall deposit in the Reserve Fund the amount required to be deposited therein pursuant to the Indenture. The Trustee shall deposit in the Reserve Fund from time to time the amounts required to be deposited therein pursuant to the Indenture. There shall additionally be deposited in the Reserve Fund, in connection with the issuance of Additional Bonds, the amount required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) Except as otherwise provided in the Indenture, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of (i) making transfers to the Bond Fund in accordance with the Indenture in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of and interest on the Bonds, (ii) redeeming Bonds in accordance with the provisions of the Indenture, and (iii) making any required transfer to the Rebate Fund pursuant to the Indenture.

(c) Whenever Bonds are to be redeemed pursuant to the Indenture or the corresponding provisions of a Supplemental Indenture, a proportionate share, determined as provided below, of the amount on deposit in the Reserve Fund shall, on the date on which amounts to redeem such Bonds are deposited in the Redemption Fund or otherwise deposited with the Trustee pursuant to the Indenture, be transferred by the Trustee from the Reserve Fund to the Redemption Fund or to such deposit held by the Trustee and shall be applied to the redemption of said Bonds; provided, however, that such amount shall be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least

equal to the Reserve Requirement (excluding from the calculation thereof said Bonds to be redeemed). Such proportionate share shall be equal to the largest integral multiple of \$5,000 that is not larger than the amount equal to the product of (a) the amount on deposit in the Reserve Fund on the date of such transfer, times (b) a fraction, the numerator of which is the principal amount of Bonds to be so redeemed and the denominator of which is the principal amount of Bonds to be Outstanding on the day prior to the date on which such Bonds are to be so redeemed.

(d) Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee shall, upon receipt of a Written Request of the Community Facilities District, transfer the amount in the Reserve Fund to the Bond Fund or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Bonds.

(e) If as a result of the scheduled payment of principal of or interest on the Outstanding Bonds, the Reserve Requirement is reduced, the Trustee shall transfer to the Bond Fund an amount equal to the amount by which the amount on deposit in the Reserve Fund exceeds such reduced Reserve Requirement.

Rebate Fund. (a) The Trustee shall establish and maintain a special fund designated the "Rebate Fund." There shall be transferred from the Reserve Fund and deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the Community Facilities District. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Moneys deposited in the Rebate Fund are not pledged to the repayment of the Bonds. Notwithstanding defeasance of the Bonds pursuant to the Indenture or anything to the contrary contained therein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by the Indenture and by the Tax Certificate (which is incorporated in the Indenture by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Community Facilities District, and shall have no liability or responsibility to enforce compliance by the Community Facilities District with the terms of the Tax Certificate. The Trustee may conclusively rely upon the Community Facilities District's determinations, calculations and certifications required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Community Facilities District's calculations.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in the Indenture, shall, upon receipt by the Trustee of a Written Request of the Community Facilities District, be withdrawn by the Trustee and remitted to the Community Facilities District.

Administrative Expense Fund. The Community Facilities District shall establish and maintain a special fund designated the "Administrative Expense Fund." The Community Facilities District shall deposit in the Administrative Expense Fund the amounts transferred thereto from the Trustee from the Special Tax Fund and required to be deposited therein pursuant to the Indenture. The moneys in the Administrative Expense Fund shall be used and withdrawn by the Community Facilities District from time to time to pay Administrative Expenses.

Investment of Moneys. (a) Except as otherwise provided in the Indenture, all moneys in any of the funds or accounts established pursuant to the Indenture and held by the Trustee

shall be invested by the Trustee solely in Permitted Investments, as directed in writing by the Community Facilities District two Business Days prior to the making of such investment. Moneys in all funds and accounts held by the Trustee shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in the Indenture; provided, however, that Permitted Investments in which moneys in the Reserve Fund are so invested shall mature no later than the earlier of five years from the date of investment or the final maturity date of the Bonds; provided, further, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. Absent timely written direction from the Community Facilities District, the Trustee shall invest any funds held by it in Permitted Investments described in paragraph (7) of the definition thereof.

(b) Subject to the provisions of the Indenture, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to the Indenture (other than the Reserve Fund) shall be retained therein. Subject to the provisions of the Indenture, all interest, profits or other income received from the investment of moneys in the Reserve Fund shall, prior to the date on which a Written Certificate of the Community Facilities District is delivered to the Trustee pursuant to the Indenture, be transferred to the Improvement Fund and, thereafter, shall be deposited in the Bond Fund; provided, however, that, notwithstanding the foregoing, any such transfer shall be made only if and to the extent that, after such transfer, the amount on deposit in the Reserve Fund is at least equal to the Reserve Requirement.

(c) Permitted Investments acquired as an investment of moneys in any fund or account established under the Indenture shall be credited to such fund or account. For the purpose of determining the amount in any fund or account, all Permitted Investments credited to such fund shall be valued by the Trustee at the market value thereof, such valuation to be performed not less frequently than semiannually on or before each February 15 and August 15.

(d) The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Community Facilities District, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments are credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to the Indenture. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established under the Indenture.

(e) The Community Facilities District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Community Facilities District the right to receive brokerage confirmations of security transactions as they occur, the Community Facilities District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Community Facilities District periodic cash transaction statements which include detail for all investment transactions made by the Trustee under the Indenture.

COVENANTS

Collection of Special Tax Revenues. (a) The Community Facilities District shall comply with all requirements of the Act, the Ordinance and the Indenture so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

(b) Prior to August 1 of each year, the Community Facilities District shall ascertain from the Orange County Assessor the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. The Community Facilities District shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 10 that the Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the Community Facilities District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Community Facilities District shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

(c) The Community Facilities District shall fix and levy the amount of Special Taxes within the Community Facilities District each Fiscal Year in accordance with the Rate and Method and, subject to the limitations in the Rate and Method as to the maximum Special Tax that may be levied, in an amount sufficient to yield Special Tax Revenues in the amount required for (a) the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the Bond Year commencing in such Fiscal Year, (b) any necessary replenishment of the Reserve Fund, and (c) the payment of Administrative Expenses estimated to be required to be paid from such Special Tax Revenues, taking into account the balances in the funds and accounts established under the Indenture.

(d) The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the *ad valorem* taxes on real property.

Foreclosure. Pursuant to Section 53356.1 of the Act, the Community Facilities District covenants with and for the benefit of the Owners that it will commence appropriate judicial foreclosure proceedings against parcels with total Special Tax delinquencies in excess of \$7,500 (not including interest and penalties thereon) by the October 1 following the close of each Fiscal Year in which the last of such Special Taxes were due and will commence appropriate judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied in such Fiscal Year, and diligently pursue to completion such foreclosure proceedings; provided, however, that, notwithstanding the foregoing, the Community Facilities District may elect to accept payment from a property owner of at least the enrolled amount but less than the full amount of the penalties, interest, costs and attorneys' fees related to a Special Tax delinquency, if permitted by law. Notwithstanding the foregoing, in certain instances the amount of a Special Tax delinquency on a particular parcel is so small that the cost of appropriate foreclosure proceedings will far exceed the Special Tax delinquency and in such cases foreclosure proceedings may be delayed by the Community Facilities District until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the foreclosure proceedings cost.

Punctual Payment. The Community Facilities District shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Net Special Tax Revenues and other assets pledged for such payment as provided in the Indenture and received by the Community Facilities District or the Trustee.

Extension of Payment of Bonds. The Community Facilities District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in the Indenture shall be deemed to limit the right of the Community Facilities District to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Against Encumbrances. The Community Facilities District shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Special Tax Revenues and other assets pledged under the Indenture while any of the Bonds are Outstanding, except as permitted by the Indenture.

Power to Issue Bonds and Make Pledge. The Community Facilities District is duly authorized pursuant to the Act to issue the Bonds and to enter into the Indenture and to pledge the Net Special Tax Revenues and other assets pledged under the Indenture in the manner and to the extent provided in the Indenture. The Bonds and the provisions of the Indenture are and will be the legal, valid and binding special obligations of the Community Facilities District in accordance with their terms, and the Community Facilities District and the Trustee (subject to the provisions of the Indenture) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge of Net Special Tax Revenues and other assets and all the rights of the Owners under the Indenture against all claims and demands of all Persons whomsoever.

Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds, the Special Tax Revenues and all funds and accounts established by it pursuant to the Indenture. Such books of record and account shall be available for inspection by the Community Facilities District, during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the Community Facilities District a monthly accounting of the funds and accounts it holds under the Indenture; provided, however, that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of zero, and (b) has not had any activity since the last reporting date.

Tax Covenants. (a) The Community Facilities District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2015A Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Community Facilities District shall comply with the requirements of the Tax Certificate, which is incorporated in the Indenture as if fully set forth therein. This covenant shall survive payment in full or defeasance of the Series 2015A Bonds.

(b) In the event that at any time the Community Facilities District is of the opinion that for purposes of the Indenture it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established under the Indenture, the Community Facilities District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of the Indenture, if the Community Facilities District shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under the Indenture is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2015A Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of the Indenture and of the Tax Certificate, and the covenants under the Indenture shall be deemed to be modified to that extent.

Continuing Disclosure. The Community Facilities District shall comply with and carry out all of the provisions of the District Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Community Facilities District to comply with the District Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Series 2015A Bonds, and upon indemnification of the Trustee to its reasonable satisfaction, shall) or any Owner or beneficial owner of the Series 2015A Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

The Developer has entered into the Developer Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Developer or the Trustee to comply with the Developer Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Series 2015A Bonds, and upon indemnification of the Trustee to its reasonable satisfaction, shall) or any Owner or beneficial owner of the Series 2015A Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Compliance with Act. The Community Facilities District shall comply with all applicable provisions of the Act.

State Reporting. If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal or interest on the Bonds, the Trustee shall notify the Community Facilities District in writing of such failure or withdrawal, and the Community Facilities District shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal within 10 days of the failure to make such payment or the date of such withdrawal, and shall provide any notices required under the District Continuing Disclosure Agreement.

Annual Reports to the California Debt and Investment Advisory Commission. Not later than October 30 of each year, commencing October 30, 2016 and until the October 30 following the final maturity of the Bonds, the Community Facilities District shall supply to the California Debt and Investment Advisory Commission the information required to be provided thereto pursuant to Section 53359.5(b) of the Act. Such information shall be made available to any Owner upon written request to the Community Facilities District accompanied by a fee

determined by the Community Facilities District to pay the costs of the Community Facilities District in connection therewith. The Community Facilities District shall in no event be liable to any Owner or any other person or entity in connection with any error in any such information.

Non-Cash Payments of Special Taxes. The Community Facilities District shall not authorize owners of taxable parcels within the Community Facilities District to satisfy Special Tax obligations by the tender of Bonds unless the Community Facilities District shall have first obtained a report of an Independent Consultant certifying that doing so would not result in the Community Facilities District having insufficient Special Tax Revenues to pay the principal of and interest on all Outstanding Bonds when due.

Reduction in Special Taxes. The Community Facilities District shall not initiate proceedings under the Act to modify the Rate and Method if such modification would adversely affect the Net Special Tax Revenues pledged as the security for the Bonds. If an initiative or referendum measure is proposed that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds, the Community Facilities District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the Bonds.

Further Assurances. The Community Facilities District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

EVENTS OF DEFAULT AND REMEDIES

Events of Default. The following events shall be Events of Default: (a) Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

(b) Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Failure by the Community Facilities District to observe and perform any of the other covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Community Facilities District by the Trustee or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the Community Facilities District the failure stated in the notice can be corrected, but not within such 60 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Community Facilities District within such 60 day period and the Community Facilities District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The Community Facilities District or the City shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Foreclosure. If an Event of Default shall occur under the Indenture then, and in each and every such case during the continuance of such Event of Default, the Trustee may, or at the written direction of the Owners of not less than a majority in aggregate principal amount of the

Bonds at the time Outstanding, and upon being indemnified to its satisfaction therefor, shall, commence foreclosure against any parcels of land in the Community Facilities District with delinquent Special Taxes, as provided in Section 53356.1 of the Act; provided, however, that the Trustee need not commence any such foreclosure if such foreclosure has been commenced by the Community Facilities District.

Other Remedies. If an Event of Default shall have occurred under the Indenture, the Trustee shall have the right: (a) by mandamus, suit, action or proceeding, to compel the Community Facilities District and its officers, agents or employees to perform each and every term, provision and covenant contained in the Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Community Facilities District and the fulfillment of all duties imposed upon it by the Indenture and the Act;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the rights of the Trustee or the Owners; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Community Facilities District and its officers and employees to account as if it and they were the trustees of an express trust.

Application of Net Special Tax Revenues After Default. If an Event of Default shall occur and be continuing, all Net Special Tax Revenues and any other funds thereafter received by the Trustee under any of the provisions of the Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture;

(b) To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference.

(c) Any remaining funds shall be transferred by the Trustee to the Special Tax Fund.

Power of Trustee to Enforce. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of the Indenture.

Owners Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture; provided, however, that such direction shall not be other than in accordance with the provisions of the Indenture, the Act and other applicable law and, provided, further, that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

Limitation on Owners' Right to Sue. No Owner shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Act or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers granted or to institute such suit, action or proceeding in its own name, (c) such Owner or said Owners shall have tendered to the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy under the Indenture or under law; it being understood and intended that no one or more Owners shall have any right in any manner whatever by such Owner's or Owners' action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners, or to enforce any right under the Bonds, the Indenture, the Act or other applicable law with respect to the Bonds, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner provided in the Indenture and for the benefit and protection of all Owners, subject to the provisions of the Indenture.

Absolute Obligation. Nothing in the Indenture or in any other provision of the Indenture or in the Bonds contained shall affect or impair the obligation of the Community Facilities District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners at their respective dates of maturity, or upon call for redemption, as provided in the Indenture, but only out of the Net Special Tax Revenues and other assets therein pledged therefor and received by the Community Facilities District or the Trustee, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners, then in every such case the Community Facilities District, the Trustee and the Owners, subject to any

determination in such proceedings, shall be restored to their former positions and rights under the Indenture, severally and respectively, and all rights, remedies, powers and duties of the Community Facilities District, the Trustee and the Owners shall continue as though no such proceedings had been taken.

Remedies Not Exclusive. No remedy in the Indenture conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given under the Indenture or now or later existing at law or in equity or otherwise.

No Waiver of Default. No delay or omission of the Trustee or of any Owner to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by the Indenture to the Trustee or to the Owners may be exercised from time to time and as often as may be deemed expedient.

TRUSTEE

Duties and Liabilities of Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in the Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Qualifications; Removal and Resignation; Successors. (a) The Trustee initially a party to the Indenture and any successor thereto shall at all times be a trust company, national banking association or bank having trust powers in good standing in or incorporated under the laws of the United States or any state thereof, having (or if such trust company, national banking association or bank is a member of a bank holding company system, its parent bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by a federal or state agency. If such trust company, national banking association or bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such trust company, national banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The Community Facilities District may, by an instrument in writing, upon at least 30 days' notice to the Trustee, remove the Trustee initially a party to the Indenture and any successor thereto unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee initially a party to the Indenture and any successor thereto if (i) at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), or (ii) the Trustee shall cease to be eligible in accordance with subsection (a) of the Indenture, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee.

(c) The Trustee may at any time resign by giving written notice of such resignation by first-class mail, postage prepaid, to the Community Facilities District, and to the Owners at the respective addresses shown on the Registration Books. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of subsection (a) of the Indenture, the Trustee shall resign immediately in the manner and with the effect specified in the Indenture.

(d) Upon removal or resignation of the Trustee, the Community Facilities District shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that any successor Trustee shall be qualified as provided in the Indenture. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following notice of removal or notice of resignation as aforesaid, the removed or resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the Community Facilities District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee in the Indenture; but, nevertheless at the Written Request of the Community Facilities District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions in the Indenture set forth. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the successor Trustee shall, within 15 days after such acceptance, mail, by first-class mail postage prepaid, a notice of the succession of such Trustee to the trusts under the Indenture to the Owners at the addresses shown on the Registration Books.

(e) Any trust company, national banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated or any trust company, national banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, national banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such trust company, national banking association or bank shall be eligible under the Indenture, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything in the Indenture to the contrary notwithstanding.

Liability of Trustee. (a) The recitals of facts in the Indenture and in the Bonds contained shall be taken as statements of the Community Facilities District, and the Trustee shall not assume responsibility for the correctness of the same or incur any responsibility in respect thereof, other than as expressly stated in the Indenture in connection with the respective duties or obligations therein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds.

(b) The Trustee makes no representations as to the validity or sufficiency of the Indenture or of any Bonds, or in respect of the security afforded by the Indenture and the

Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value, the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or the application of any moneys paid to the Community Facilities District or others in accordance with the Indenture.

(c) The Trustee shall not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct.

(d) No provision of the Indenture or any other document related to the Indenture shall require the Trustee to risk or advance its own funds.

(e) The Trustee may execute any of its powers or duties under the Indenture through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents or receivers if selected by it with reasonable care.

(f) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(g) The immunities and protections extended to the Trustee also extend to its directors, officers, employees and agents.

(h) Before taking action under the Indenture or upon the direction of the Owners, the Trustee may require indemnity satisfactory to the Trustee be furnished to it to protect it against all fees and expenses, including those of its attorneys and advisors, and protect it against all liability it may incur.

(i) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

(j) The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(k) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(l) The Trustee shall not be liable for the failure to take any action required to be taken by it under the Indenture if and to the extent that the Trustee's taking such action is prevented by reason of an act of God, terrorism, war, riot, strike, fire, flood, earthquake, epidemic or other, similar occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care.

(m) The Trustee shall not be deemed to have knowledge of an Event of Default under the Indenture unless it has actual knowledge thereof.

(n) The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Right to Rely on Documents and Opinions. (a) The Trustee shall be protected in acting upon any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Whenever in the administration of the duties imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be specifically prescribed in the Indenture) may be deemed to be conclusively proved and established by a Written Certificate of the Community Facilities District, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

(c) The Trustee may consult with counsel, who may be counsel to the Community Facilities District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds, the Special Tax Revenues received by it and all funds and accounts established by it pursuant to the Indenture. Such books of record and account shall be available for inspection by the Community Facilities District during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the Community Facilities District a monthly accounting of the funds and accounts it holds under the Indenture; provided, however, that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of zero, and (b) has not had any activity since the last reporting date.

Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject during business hours and upon reasonable notice to the inspection of the Community Facilities District, the Owners and their agents and representatives duly authorized in writing.

Compensation and Indemnification. The Community Facilities District shall pay to the Trustee from time to time from Special Tax Revenues all reasonable compensation pursuant to a pre-approved fee letter for all services rendered under the Indenture, and also all reasonable expenses, charges, legal and consulting fees pursuant to a pre-approved fee letter and other disbursements pursuant to a pre-approved fee letter and those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture. The Community Facilities District shall, to the extent permitted by law, from Special Tax Revenues, indemnify and save the Trustee harmless against any costs, claims, expenses and liabilities which it may incur in the exercise and performance of its powers and duties under the Indenture (including reasonable legal fees and expenses of counsel retained by the Trustee in connection with the performance of its duties under the Indenture), including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its

willful misconduct. The duty of the Community Facilities District to indemnify the Trustee shall survive the resignation or removal of the Trustee and the termination and discharge of the Indenture.

MODIFICATION OR AMENDMENT

Supplemental Indentures. (a) The Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners under the Indenture may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into when there are filed with the Trustee the written consents of the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Indenture. No such modification or amendment shall (i) extend the fixed maturity of any Bond, reduce the amount of principal thereof or the rate of interest thereon, extend the time of payment thereof or alter the redemption provisions thereof, without the consent of the Owner of each Bond so affected, (ii) permit any pledge of, or the creation of any lien on, security interest in or charge or other encumbrance upon the assets pledged under the Indenture prior to or on a parity with the pledge contained in, and the lien and security interest created by, the Indenture or deprive the Owners of the pledge contained in, and the lien and security interest created by, the Indenture, except as expressly provided in the Indenture, without the consent of the Owners of all of the Bonds then Outstanding, or (iii) modify or amend the Indenture without the prior written consent of the Owners of all Bonds then Outstanding.

(b) The Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners under the Indenture may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into without the consent of any Owners for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Community Facilities District in the Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved to or conferred upon the Community Facilities District in the Indenture;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in the Indenture, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners under the Indenture;

(3) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of the Indenture;

(4) to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute later in effect;

(5) to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(6) in any other respect whatsoever as the Community Facilities District may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners under the Indenture.

(c) Promptly after the execution by the Community Facilities District and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Community Facilities District), by first-class mail, postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to the Indenture, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Community Facilities District, the Trustee and the Owners shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the effective date of any Supplemental Indenture pursuant to the Indenture may and, if the Community Facilities District so determines, shall bear a notation by endorsement or otherwise in form approved by the Community Facilities District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date and presentation of such Bond for such purpose at the Office of the Trustee a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Community Facilities District and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Community Facilities District and authenticated by the Trustee and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date, and presentation of such Bond for such purpose at the Office of the Trustee, such a new Bond in equal principal amount of the same Series, interest rate and maturity shall be exchanged for such Owner's Bond so surrendered.

Amendment of Particular Bonds. The provisions of the Indenture shall not prevent any Owner from accepting any amendment or modification as to any particular Bond owned by it, provided that due notation thereof is made on such Bond.

DEFEASANCE

Discharge of Indenture. (a) If the Community Facilities District shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated therein or in the Indenture, then the Owners shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets as provided in the Indenture, and all agreements, covenants and other obligations of the Community Facilities District under the Indenture shall thereupon cease, terminate and become void and the Indenture shall be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Community Facilities District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Community Facilities District all money or securities held by it pursuant to the Indenture which are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of the Indenture, when any Bond shall have been paid and if, at the time of such payment, the Community Facilities District shall have kept,

performed and observed all of the covenants and promises in such Bonds and in the Indenture required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then the Indenture shall be considered to have been discharged in respect of such Bond and such Bond shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets as provided in the Indenture, and all agreements, covenants and other obligations of the Community Facilities District under the Indenture shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

(c) Notwithstanding the discharge and satisfaction of the Indenture or the discharge and satisfaction of the Indenture in respect of any Bond, those provisions of the Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of such Bond, and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on such Bond, and to pay to the Owner of such Bond the funds so held by the Trustee as and when such payment becomes due.

Bonds Deemed To Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in the Indenture. Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in the Indenture if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Community Facilities District shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of the Indenture notice of redemption of such Bond on said redemption date, said notice to be given in accordance with the Indenture, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient, or (B) Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, together with the money, if any, deposited therewith, will provide moneys which shall be sufficient to pay when due the interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond, and (iii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Community Facilities District shall have given the Trustee, in form satisfactory to it, irrevocable instructions to mail as soon as practicable, a notice to the Owner of such Bond that the deposit required by clause (ii) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with the Indenture and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond.

(b) No Bond shall be deemed to have been paid pursuant to clause (ii) of subsection (a) of the Indenture unless the Community Facilities District shall have caused to be delivered to the Community Facilities District and the Trustee (i) an executed copy of a Verification Report with respect to such deemed payment, addressed to the Community Facilities District and the Trustee, in form and in substance acceptable to the Community Facilities District and the Trustee, (ii) a copy of the escrow agreement entered into in connection with the deposit pursuant to the Indenture resulting in such deemed payment, which escrow agreement shall be in form and in substance acceptable to the Community Facilities District and the Trustee and which escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification Report, and no reinvestment of Defeasance Securities shall be permitted except

as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (iii) a copy of an opinion of Bond Counsel, dated the date of such deemed payment and addressed to the Community Facilities District and the Trustee, in form and in substance acceptable to the Community Facilities District and the Trustee, to the effect that such Bond has been paid within the meaning and with the effect expressed in the Indenture, the Indenture has been discharged in respect of such Bond and all agreements, covenants and other obligations of the Community Facilities District under the Indenture as to such Bond have ceased, terminated, become void and been completely discharged and satisfied.

Unclaimed Moneys. Subject to the escheat laws of the State, any moneys held by the Trustee in trust for the payment and discharge of the principal of, or premium or interest on, any Bond which remain unclaimed for two years after the date when such principal, premium or interest has become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such principal, premium or interest become payable, shall be repaid by the Trustee to the Community Facilities District as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owner of such Bond shall look only to the Community Facilities District for the payment of such principal, premium or interest.

MISCELLANEOUS

Evidence of Rights of Owners. Any request, consent or other instrument required or permitted by the Indenture to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee and the Community Facilities District if made in the manner provided in the Indenture.

The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange thereof or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Community Facilities District in accordance therewith or reliance thereon.

Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Community Facilities District, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for

the purposes of the Indenture if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Community Facilities District shall specify in a certificate to the Trustee those Bonds disqualified pursuant to the Indenture and the Trustee may conclusively rely on such certificate.

Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of the Indenture but without any liability for interest thereon.

Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with prudent corporate trust industry standards to the extent practicable, and with due regard for the requirements of the Indenture and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish any such additional funds or accounts as it deems necessary to perform its obligations under the Indenture.

Payment on Non-Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Indenture shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in the Indenture and, unless otherwise specifically provided in the Indenture, no interest shall accrue for the period from and after such nominal date.

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APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date]

City Council of the City of Tustin
Tustin, California

Re: \$27,665,000 City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) Special Tax Bonds, Series 2015A

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of California, a certified record of the proceedings of City of Tustin (the "City") taken in connection with the formation of the City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) (the "District") and the authorization and issuance of the District's Special Tax Bonds, Series 2015A in the aggregate principal amount of \$27,665,000 (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the initial purchaser of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 et seq. of the Government Code of the State of California), Resolution No. 14-60 adopted by the City Council of the City, acting in its capacity as the legislative body of the District, on September 16, 2014 (the "Resolution of Issuance"), and the Indenture of Trust by and between the District and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), dated as of November 1, 2015 (the "Indenture"). All capitalized terms not defined herein shall have the meanings set forth in the Indenture.

The Bonds are dated as of the date of hereof and mature on the dates and in the amounts set forth in the Indenture. The Bonds bear interest payable semiannually on each March 1 and September 1, commencing on March 1, 2016, at the rates per annum set forth in the Indenture. The Bonds are registered Bonds in the form set forth in the Indenture redeemable in the amounts, at the times and in the manner provided for in the Indenture.

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

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California. The Bonds are limited obligations of the District but are not a debt of the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except

for the Special Taxes, neither the faith and credit nor the taxing power of the City, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The Indenture has been duly executed and delivered by the City Council on behalf of the District. The Indenture creates a valid pledge of, and the Bonds are secured by, the Net Special Tax Revenues and the amounts on deposit in certain funds and accounts established under the Indenture, as and to the extent provided in the Indenture. The Indenture is enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other similar laws affecting creditors' rights generally, by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on remedies against public agencies in the State of California; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative Expenses or as to any indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest (and original issue discount) may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

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

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond. Original issue discount that accrues to the Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations (as described in paragraph (3) above), and is exempt from State of California personal income tax.

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

The opinion expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue

discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

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

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

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

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur). Our engagement with respect to the Bonds terminates upon their issuance, and we disclaim any obligation to update the matters set forth herein.

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

Respectfully submitted,

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APPENDIX C

INITIAL APPRAISAL REPORT AND UPDATED APPRAISAL REPORT

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Harris Realty Appraisal

5100 Birch Street, Suite 200
Newport Beach, California 92660
949-851-1227 FAX 949-851-2065
www.harris-appraisal.com

June 15, 2015

APPRAISAL REPORT

**CITY OF TUSTIN
COMMUNITY FACILITIES DISTRICT NO. 2014-1
TUSTIN LEGACY/STANDARD PACIFIC**

Prepared for:

CITY OF TUSTIN
300 Centennial Way
Tustin, CA 92780

James B. Harris, MAI
Berri Cannon Harris
Harris Realty Appraisal
5100 Birch Street, Suite 200
Newport Beach, CA 92660

June 2015

Ms. Pamela Arends-King
Finance Director
CITY OF TUSTIN
300 Centennial Way
Tustin, CA 92780

Re: Community Facilities District No. 2014-1
Tustin Legacy/Standard Pacific

Dear Ms. Arends-King:

In response to your authorization, we have prepared a self-contained appraisal report which addresses the property within the boundaries of the City of Tustin Community Facilities District No. 2014-1 (the "District" or "CFD No. 2014-1"). This appraisal includes an estimate of Market Value of the land, subject to the special tax levy, under site construction, ranging from blue-top condition to a physically finished lot condition. There are 12 completed model homes, which had their grand opening on May 30, 2015. In addition 13 dwellings are in the framing stage and 17 dwellings have slabs within CFD No. 2014-1. The residential land subject to special tax is under the ownership of the developer, Standard Pacific Corporation. As of the date of value, June 1, 2015, the land, 78.2± gross acres, was proposed for 375 detached dwelling units within four products. Three of the products, proposed for 298 dwelling units, are planned to be built by Standard Pacific Corporation. A fourth product, proposed for 77 dwelling units, is planned to be sold to Brookfield Residential by October 2015.

According to the specific guidelines of the California Debt and Investment Advisory Commission (CDIAC), the District is valued in bulk, representing a discounted value for the single ownership as of June 1, 2015, the date of value.

Based on the investigation and analyses undertaken, our experience as real estate appraisers and subject to all the premises, assumptions and limiting conditions set forth in this report, the following opinion of Market Value is formed as of June 1, 2015.

CFD NO. 2014-1

ONE HUNDRED FORTY MILLION EIGHT HUNDRED THOUSAND DOLLARS

\$140,800,000

Ms. Pamela Arends-King
June 15, 2015
Page Two

The District is in a blue-top lot condition to a physically finished lot condition as of the date of value. According to the developer, the total site development cost is \$68,680,000. Approximately \$40,000,000 has been spent up to the date of value of this appraisal. The final tract map was recorded December 30, 2014. All public improvements providing access to the District have been funded and constructed by the City of Tustin. This appraisal report and estimated value is based, in part, on the accuracy of the site costs, as provided by the developer. Any variance in cost could impact the value conclusions. The construction bond proceeds from CFD No. 2014-1 are for the City of Tustin's facilities and improvements and for the Tustin Unified School District for construction of a school. Approximately \$15,000,000± are anticipated to be funded from the sale of bonds, which will be paid directly to the City of Tustin.

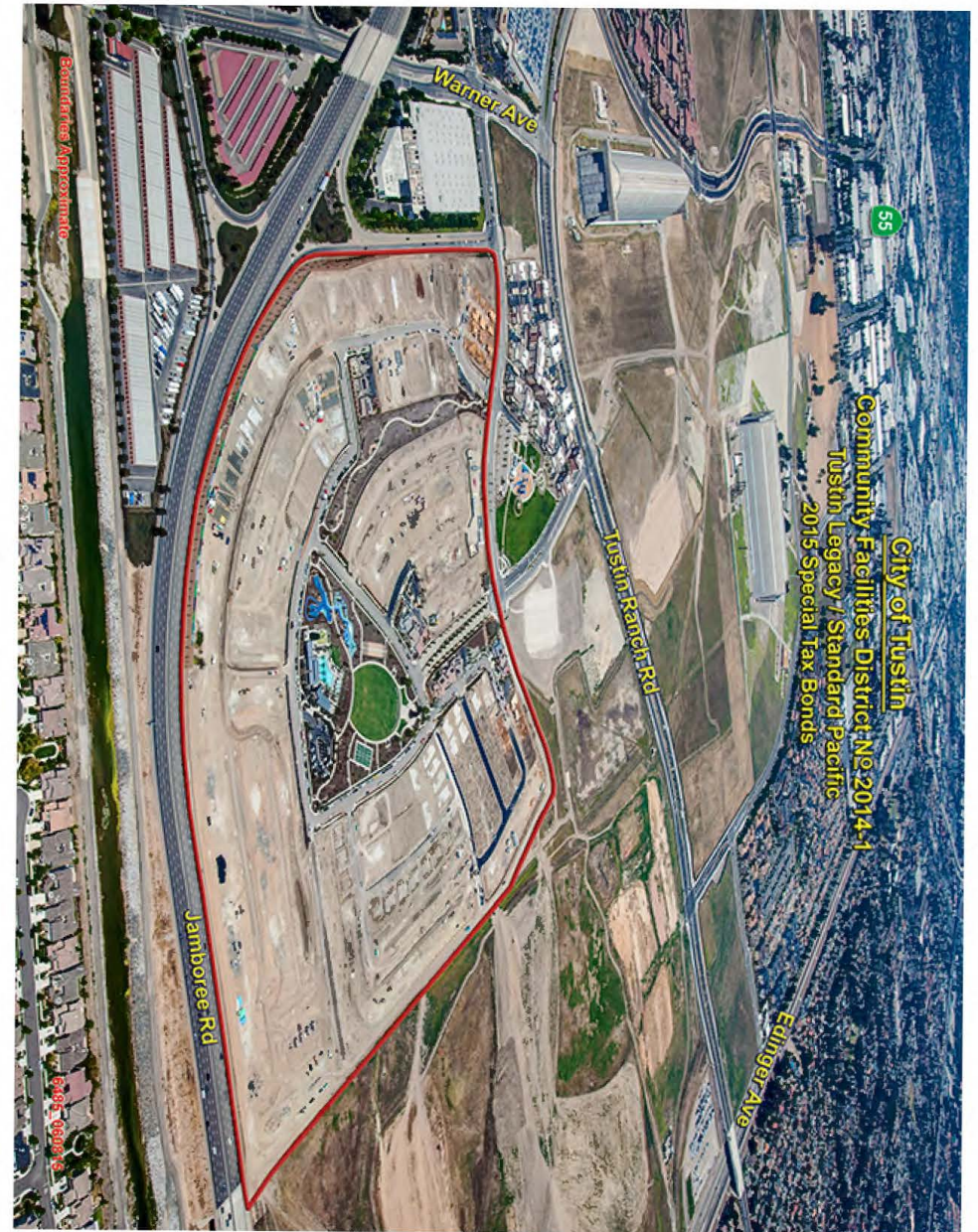
The self-contained appraisal report that follows sets forth the results of the data and analyses upon which our opinion of value is, in part, predicated. This report has been prepared for the City of Tustin for use in the sale of City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) 2015 Special Tax Bonds. The intended users of this report are the City of Tustin, its underwriter, legal counsel, consultants, and potential bond investors. This appraisal has been prepared in accordance with and is subject to the requirements of *The Appraisal Standards for Land Secured Financing* as published by the California Debt and Investment Advisory Commission; the *Uniform Standards of Professional Appraisal Practice* (USPAP) of the Appraisal Foundation; and the *Code of Professional Ethics* and the *Standards of Professional Appraisal Practice* of the Appraisal Institute.

We meet the requirements of the Competency Provision of the *Uniform Standards of Professional Appraisal Practice*. A statement of our qualifications appears in the Addenda.

Respectfully submitted,

Berri Cannon Harris
Berri Cannon Harris
Principal
AG009147

James B. Harris
James B. Harris, MAI
Principal
AG001846



SUMMARY OF FACTS AND CONCLUSIONS

EFFECTIVE DATE OF APPRAISAL	June 1, 2015
DATE OF REPORT	June 15, 2015
BOND NAME	City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) 2015 Special Tax Bonds
INTEREST APPRAISED	Fee Simple Estate, subject to special tax and special assessment liens.
OWNERSHIPS & LEGAL DESCRIPTIONS	<p>CFD No. 2014-1: Land subject to Special Tax - Final Tract Map No. 17507, Lots 1 through 375.</p> <p>Standard Pacific Corporation: Lots 1 through 375 of Tract No. 17507, being a portion of Lots 8, 9, 10, 11, 12, 14, MM, NN, OO, PP, TT, VV, CCC, DDD, OOO and ZZZ, and portions of Lots 11, 13, QQ, RR, SS, UU and OOOOO of Tract 17404, as shown on a map filed in Book 907, Pages 6 through 42, inclusive, of Miscellaneous Maps, in the office of the County Recorder of Orange County.</p> <p>City of Tustin: Portion of Lots CCCC, FFFF and GGGG of Tract 17404, as shown on a map filed in Book 907, Pages 6 through 42, inclusive, of Miscellaneous Maps, in the office of the County Recorder of Orange County.</p>
SITE CONDITION	The District currently ranges from a blue-top lot condition to a physically finished lot condition. Construction of the sewer, storm drain and water improvements are complete. Dry utilities are scheduled for completion in September 2015. There are 12 model homes completed. In addition there are 13 dwellings in the framing stage and 17 lots with slab/foundations completed.
PROPOSED IMPROVEMENTS	The District is proposed to be improved with 375 single family detached dwelling units. The current plans include four different products ranging from 1,860 square feet to 3,880 square feet. The current development includes four products including Sheldon, with an average dwelling size of 2,124 square feet on Courtyard lots, with a minimum size of 2,400 square feet; Huntley, with an average size

SUMMARY OF FACTS AND CONCLUSIONS

PROPOSED IMPROVEMENTS (Cont.)	<p>of 2,815 square feet on lots with a minimum size of 3,772 square feet; Crawford, with an average size of 3,345 square feet on lots with a minimum lot size of 5,000 square feet and Stafford, with an average size of 3,807 square feet on lots with a minimum size of 5,250 square feet. According to the owner/developer of the District, Standard Pacific Corp. will develop Sheldon, Crawford and Stafford, proposed for 298 dwelling units, and sell the fourth product proposed for 77 dwelling units in the Huntley project to Brookfield Residential. Standard Pacific Corp. anticipates closing escrow with Brookfield Residential by October 2015.</p> <p>Grand opening occurred on May 30, 2015 for all four products. Thirty production homes had begun construction as of June 1, 2015. Production homes are anticipated to be released in phases of generally 5 to 8 units for the three larger products and 6 to 12 units for the courtyard product.</p>
HIGHEST AND BEST USE	CFD No. 2014-1 is well located within Orange County and the City of Tustin. The City and surrounding area offer nearby business centers and retail districts. The subject is within the MCAS Tustin Specific Plan with a proposed use of residential development. The District has a Final Tract Map for 375 detached residential units. The Final Tract Map, recorded on December 30, 2014. The site's topography is level and within a planned community with off-site infrastructure complete. The site is graded from a blue-top lot condition to a physically finished lot condition. Based on the site's condition, existing zoning and market demand for residential development similar to that proposed, the Highest and Best Use for the land is for residential development of 375 detached dwelling units.
VALUATION CONCLUSION	<p>Market Value CFD NO. 2014-1 - \$140,800,000</p>

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INTRODUCTION

Purpose of the Report

The purpose of this appraisal report is to estimate the Market Value for the *fee simple estate, subject to special tax and special assessment liens* for all the taxable property within the City of Tustin Community Facilities District No. 2014-1 (referred to herein as "CFD No. 2014-1" or the "District").

The opinions set forth are subject to the assumptions and limiting conditions set forth herein and the specific appraisal guidelines as set forth by the City of Tustin.

Function of the Report and Intended Use

It is our understanding that this appraisal report is to be used for District bond financing purposes only. The subject property is described more particularly within this report. The bonds will be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended. The maximum authorized bond indebtedness for the District is \$29,000,000.

Client and Intended Users of the Report

This report was prepared for our client, the City of Tustin. The intended users of the report include the City of Tustin, its underwriter, legal counsel, consultants and potential bond investors.

Scope of the Assignment

According to specific instructions from the District and the CDIAC guidelines, the total value conclusion includes the "As Is" estimate of Market Value giving consideration to the formation of CFD No. 2014-1 and the sale of bonds to offset infrastructure improvement costs of approximately \$15,000,000±. The bond proceeds are to be paid directly to the City of Tustin. Any lands designated for park, open space or civic uses within CFD No. 2014-1 and not subject to tax or special assessment are not included in this assignment.

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The land and site improvements are valued in their "as is" condition as of the date of value. Based on physical inspection of the District and interview with the developer, the District is currently in a blue-top lot condition to a physically finished lot condition. Grading began mid-June 2014 and is complete. According to the developer, Standard Pacific Corporation, total site development costs are approximately \$68,680,000. As of June 1, 2015, the date of value for this appraisal, \$40,000,000 has been expended. Approximately \$28,680,000 remain to complete site construction. Site development is scheduled to continue with construction of in-tract street improvements and dry utilities. The entire site, proposed for 375 dwelling units and a 6± acre park, is scheduled to be improved to physically finished lot condition by October 2015. Thirty production dwellings have started construction, with 13 dwellings beginning the framing stage and 17 dwellings with completed slabs. The current plans include four different products ranging from an average size dwelling unit of 2,124 square feet on 2,400 square foot lots within a courtyard development to an average size dwelling of 3,804 square feet on 5,250 square foot lots. Grand opening occurred on May 30, 2015 for all four products.

We have analyzed the subject property based upon the proposed uses and our opinion of its highest and best use. The following paragraphs summarize the process of collecting, confirming and reporting of data used in the analysis.

1. Gathered and analyzed demographic data from sources including the California Department of Finance (population data), Employment Development Department of the State of California (employment data), City of Tustin (zoning information, building permit trends), City of Tustin Chamber of Commerce (local demographic trends), Metro-Study (housing sales, inventory levels, and absorption), and sales personnel of comparable projects (market trends of individual home sales). Subject property information was gathered from the developer.
2. Inspected the subject's neighborhood and reviewed proposed product and similar products for consideration of Highest and Best Use of the proposed lots.

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3. Searched for comparable merchant builder land sales within the Orange County market area. Gathered and analyzed residential detached dwelling unit sales, within the subject's primary and secondary market areas. Data was gathered from sources including, but not limited to, RealQuest, appraisers, and builders active in the area.

Date of Value and Report

The opinion of Market Value expressed in this report is stated as of June 1, 2015. The date of the appraisal report is June 15, 2015.

Date of Inspection

The subject property was inspected on numerous occasions, with the most recent inspection on June 1, 2015.

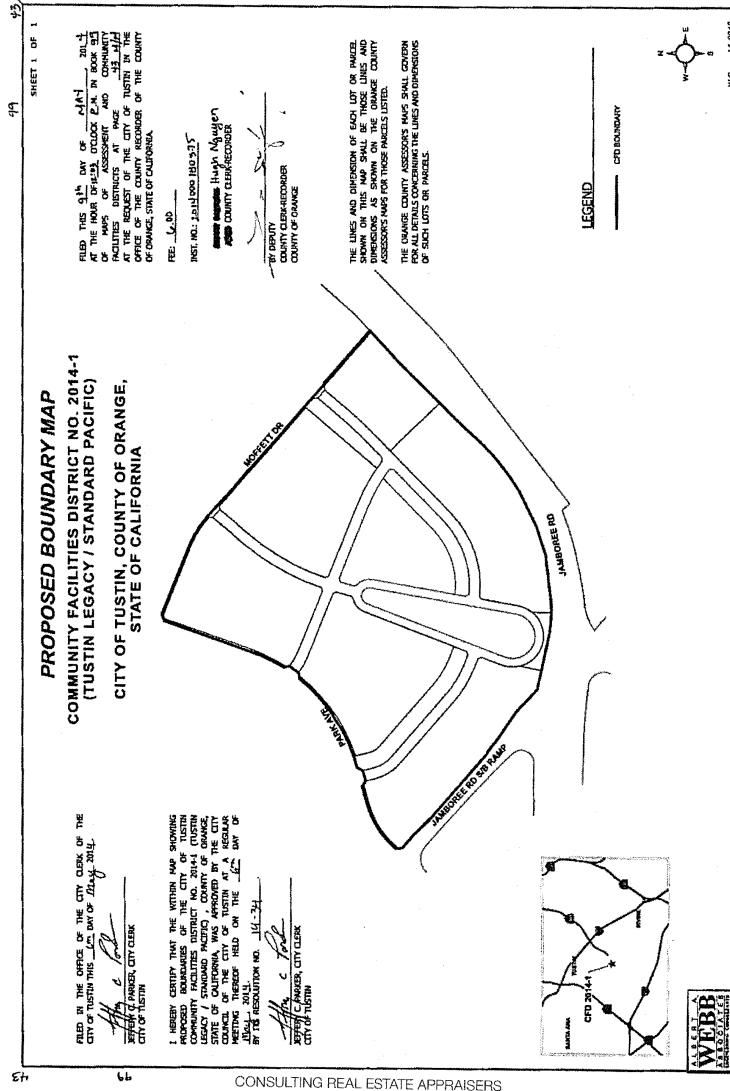
Property Rights Appraised

The property rights appraised are those of the *fee simple estate subject to special tax and special assessment liens* of the real estate described herein.

Property Identification

The subject property consists of the taxable land within CFD No. 2014-1 (Tustin Legacy/Standard Pacific), in the City of Tustin, which is a part of the MCAS Tustin Specific Plan. The MCAS Tustin Specific Plan contains eight neighborhoods, of which the District is a part. CFD No. 2014-1 is a portion of Planning Area 15 of the MCAS Tustin Specific Plan. Planning Area 15 is further described as the Residential Core of Neighborhood G, which in total is allocated 1,214 residential units. The subject property includes 272 low density dwelling units and 103 medium density dwelling units. Please refer to the CFD boundary map on the following page. As illustrated, the District is boarded by the future Moffett Drive to the northeast, Jamboree Road to the southeast and southwest and Park Avenue to the west. The City of Irvine is adjacent to the south of the District. The subject site is currently in a blue-top lot condition to a physically finished lot condition with 12 complete model homes and 30 production dwellings beginning construction.

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Legal Description and Ownership

The subject property includes all of the land subject to special tax within the City of Tustin Community Facilities District No. 2014-1, which is described as Final Tract Map No. 17507, Lots 1 through 375. The taxable land is under the ownership of Standard Pacific Corporation. The District is under the following ownerships as described in the preliminary title report dated August 8, 2014, prepared by First American Title Company.

Standard Pacific Corporation: Lots 1 through 375 of Tract No. 17507, being a portion of Lots 8, 9, 10, 12, 14, MM, NN, OO, PP, TT, VV, CCC, DDD, OOO and ZZZ, and portions of Lots 11, 13, QQ, RR, SS, UU and OOOOO of Tract 17404, as shown on a map filed in Book 907, Pages 6 through 42, inclusive, of Miscellaneous Maps, in the office of the County Recorder of Orange County.

City of Tustin: Portion of Lots CCCC, FFFF and GGGG of Tract 17404, as shown on a map filed in Book 907, Pages 6 through 42, inclusive, of Miscellaneous Maps, in the office of the County Recorder of Orange County.

Property History

The subject property was transferred to Standard Pacific Corporation from the City of Tustin on August 15, 2014, as recorded on a Quitclaim Deed, document number 330931. According to the Disposition and Development agreement between the buyer and seller, the base purchase price was \$56,000,000. As a part of this purchase price the buyer was required to pay the Tustin Legacy Backbone Infrastructure Program Fair Share Contribution of \$45,159.21 per proposed unit which was paid by the developer in May 2015. In addition, the developer agreed to pay a percentage of the profits from the sale of homes within the District, consistent with the Profit Participation Agreement. According to the City of Tustin, the purchase price was based on a competitive bidding process that was established in 2012. Seven homebuilders submitted proposals for the subject property.

No other transfers of the subject property have come to the appraisers' attention over the past 3 years. A representative of Standard Pacific Corporation indicates that a

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portion of the property proposed for 77 dwelling units is planned to be sold to Brookfield Residential by October 2015. The anticipated sales price is confidential until the sale closes, but it is within the range of merchant builder lot prices reported in the valuation section of this report. Reportedly, the physically finished lots will be transferred in phases.

Definitions

Market Value¹

The most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (a) Buyer and seller are typically motivated.
- (b) Both parties are well informed or well advised, and each acting in what he considers his own best interest.
- (c) A reasonable time is allowed for exposure in the open market.
- (d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- (e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Assessed Value²

The value of a property according to the tax rolls in ad valorem taxation. May be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.

Fee Simple Estate³

Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

¹ Part 563, subsection 563.17-1a(b)(2), Subchapter D, Chapter V, Title 12, Code of Federal Regulations.

² *The Dictionary of Real Estate Appraisal*, Third Edition, published by The Appraisal Institute, 1993, Page 22

³ *Ibid*, Page 140

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Fee Simple Estate and Leased Fee Estate Subject to Special Tax and Special Assessment Liens

Empirical evidence (and common sense) suggests that the selling prices of properties encumbered by such liens are discounted compared to properties free and clear of such liens. In new development projects, annual Mello-Roos special tax and/or special assessment payments can be substantial, and prospective buyers take this added tax burden into account when formulating their bid prices. Taxes, including special taxes, are legally distinct from assessments. Because fee simple ownership is subject to the governmental power of taxation, but not the power to levy assessments, appraisers sometimes treat special tax and assessment liens differently.

The Market Value included herein, reflects the value of the land and existing and proposed improvements to be encumbered with special taxes of CFD No. 2014-1.

Retail Value

Retail value should be estimated for all fully improved and occupied properties. Retail value is an estimate of what an end user would pay for a finished property under the conditions requisite to a fair sale.

Bulk Sale Value⁴

Bulk sale value should be estimated for all vacant properties—both unimproved properties and improved or partially improved but unoccupied properties. Bulk sale value is derived by discounting retail values to present value by an appropriate discount rate, through a procedure called *Discounted Cash Flow Analysis*. A second method is to use bulk land sales. These are sales of numerous individual parcels sold to one buyer. Bulk sale value is defined as follows:

The most probable price, in a sale of *all* parcels within a tract or development project, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value, as of a specified date, in cash, or terms equivalent to cash, for which the property rights should sell after reasonable exposure, in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue stress.

⁴ *Appraisals Standard for Land-Secured Financings*, published by CD/AC, 1004, Page 10

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Finished Site⁵

Land that is improved so that it is ready to be used for a specific purpose. (Improvements include rough graded site, streets to the site boundary, utilities to the site boundary, and all fees required to pull building permits paid.)

Physically Finished Lots

Finished lots with streets and infrastructure complete. Impact fees are not paid.

Blue-top Graded Parcel

Graded parcel to blue-top, which includes streets cut and padded lots with utilities stubbed to the site and perimeter streets in.

Mass-Graded Parcel/Superpad Parcel

Mass-graded parcel with utilities stubbed to the site and perimeter streets in.

Assumptions and Limiting Conditions

The analyses and opinions set forth in this report are subject to the following assumptions and limiting conditions:

Standards Rule ("S.R.") 2-1(c) of the "Standards of Professional Appraisal Practice" of the Appraisal Institute requires the appraiser to "clearly and accurately disclose any extraordinary assumption or limiting condition that directly affects an appraisal analysis, opinion, or conclusion." In compliance with S.R. 2-1(c) and to assist the reader in interpreting the report, the following assumptions and limiting conditions are set forth as follows:

Assumptions and Limiting Conditions of the Appraisal

A hypothetical assumption of this appraisal report is that bonds will be sold for Community Facilities District No. 2014-1. According to the City of Tustin and Standard Pacific Corporation, all of the proceeds from the sale of bonds will be paid to the City of Tustin to offset public infrastructure improvements. There are no reimbursements from the CFD that will be paid to the current owners of the property; Standard Pacific Corporation.

⁵ Ibid, Page 334

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The site development costs have been provided by the developer, Standard Pacific Corporation. According to the developer, the site costs provided are all of the costs required to improve the land to a physically finished lot condition, ready to construct 375 dwelling units as summarized in this appraisal report. The timeline to complete site construction has also been provided by the developer. It is a specific contingency of this appraisal that all of the costs associated with site development satisfy the Conditions of Map Approval and the Disposition and Development Agreement with the City of Tustin. The costs are assumed to be correct. We have not engaged an independent cost estimator or civil engineer to examine the reasonableness of the development cost estimates. Any variance in development costs, or the timeline for construction of the improvement could alter our value conclusion.

No responsibility is assumed by your appraisers for matters which are legal in nature. No opinion of title is rendered, and the property is appraised as though free of all encumbrances and the title marketable. No survey of the boundaries of the property was undertaken by your appraisers. All areas and dimensions furnished to your appraisers are presumed to be correct.

The date of value for which the opinion of Market Value is expressed in this report is June 1, 2015. The dollar amount of this value opinion is based on the purchasing power of the United States dollar on that date.

Maps, plats, and exhibits included herein are for illustration only, as an aid for the reader in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.

Oil, gas, mineral rights and subsurface rights were not considered in making this appraisal unless otherwise stated and are not a part of the appraisal, if any exist.

The appraisers were provided with a geotechnical summary review report prepared by NMG Geotechnical, Inc., dated June 7, 2013, for Tentative Tract Map No. 17507. The report concluded that the proposed development is feasible from a geotechnical standpoint, provided their detailed recommendations included in the report are incorporated in the project plans. For purposes of this appraisal, the soil is assumed to be of adequate load-bearing capacity to support all uses considered under our conclusion of highest and best use.

The appraisers were provided with a Phase II Environmental Site Assessment Report for the subject property, dated September 17, 2013. We have also reviewed several letters from the United States Environmental Protection Agency, California Regional Water Quality Control Board and the Department of Toxic Substances Control. Based on

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the information provided and the current physical condition of the parcels, it appears that development as proposed is allowed. Physical inspection of the District did not indicate evidence of on-site hazardous materials and/or toxic waste. All of the District is currently in a blue-top lot condition to a physically finished lot condition for 375 residential lots.

Information contained in this report has been gathered from sources which are believed to be reliable, and, where feasible, has been verified. No responsibility is assumed for the accuracy of information supplied by others.

Since earthquakes are common in the area, no responsibility is assumed for their possible impact on individual properties, unless detailed geologic reports are made available.

Your appraisers inspected as far as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representations are made as to these matters unless specifically considered in the report.

The appraisers assume no responsibility for economic or physical factors which may occur after the date of this appraisal. The appraisers, in rendering these opinions, assume no responsibility for subsequent changes in management, tax laws, environmental regulations, economic, or physical factors which may or may not affect said conclusions or opinions.

No engineering survey, legal, or engineering analysis has been made by us of this property. It is assumed that the legal description and area computations furnished are reasonably accurate. However, it is recommended that such an analysis be made for exact verification through appropriate professionals before demising, hypothecating, purchasing or lending occurs.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during the appraisers' inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test for such substances or conditions.

The presence of such substances such as asbestos, urea formaldehyde, foam insulation, or other hazardous substances or environmental conditions may affect the value of the property. The value estimated herein is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No

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responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate if so desired.

The cost and availability of financing help determine the demand for and supply of real estate and therefore affect real estate values and prices. The transaction price of one property may differ from that of an identical property because financing arrangements vary.

Our forecasts of future events which influence the valuation process are predicated on the continuation of historic and current trends in the market.

The property appraised is assumed to be in full compliance with all applicable federal, state, and local environmental regulations and laws, and the property is in conformance with all applicable zoning and use ordinances/restrictions, unless otherwise stated.

We shall not be required, by reason of this appraisal, to give testimony or to be in attendance in court or any governmental or other hearing with reference to the property without prior arrangements having first been made with the appraisers relative to such additional employment.

In the event the appraisers are subpoenaed for a deposition, judicial, or administrative proceeding, and are ordered to produce their appraisal report and files, the appraisers will immediately notify the client.

The appraisers will appear at the deposition, judicial, or administrative hearing with their appraisal report and files and will answer all questions unless the client provides the appraisers with legal counsel who then instructs them not to appear, instructs them not to produce certain documents, or instructs them not to answer certain questions. These instructions will be overridden by a court order, which the appraisers will follow if legally required to do so. It shall be the responsibility of the client to obtain a protective order.

The appraisers have personally inspected the subject property; however, no opinion as to structural soundness of proposed improvements or conformity to City, County, or any other agency building code is made. No responsibility for undisclosed structural deficiencies/conditions is assumed by the appraisers. No consideration has been given in this appraisal to personal property located on the premises; only the real estate has been considered unless otherwise specified.

James B. Harris is a Member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each Member to control the uses and distribution of each appraisal report signed by such Member. Except as hereinafter provided, possession of this report, or a copy of it, does not carry

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with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser and in any event only with properly written qualification and only in its entirety.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through advertising media, public relations, news media or any other public means of communication without the prior consent and approval of the undersigned. **The City of Tustin, its underwriter and legal counsel may publish this report in the Preliminary and Final Official Statements provided or published for the Special Tax Bonds to be issued by CFD No. 2014-1.**

The acceptance of and/or use of this appraisal report by the client or any third party constitutes acceptance of the following conditions:

The liability of Harris Realty Appraisal and the appraisers responsible for this report is limited to the client only and to the fee actually received by the appraisers. Further, there is no accountability, obligation or liability to any third party. If the appraisal report is placed in the hands of anyone other than the client for whom this report was prepared, the client shall make such party and/or parties aware of all limiting conditions and assumptions of this assignment and related discussions. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk.

If the client or any third party brings legal action against Harris Realty Appraisal or the signer of this report and the appraisers prevail, the party initiating such legal action shall reimburse Harris Realty Appraisal and/or the appraisers for any and all costs of any nature, including attorneys' fees, incurred in their defense.

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AREA DESCRIPTION

The following section of this report will summarize the major demographic and economic characteristics such as population, employment, income and other pertinent characteristics for Orange County, the City of Tustin and the subject market area.

Orange County

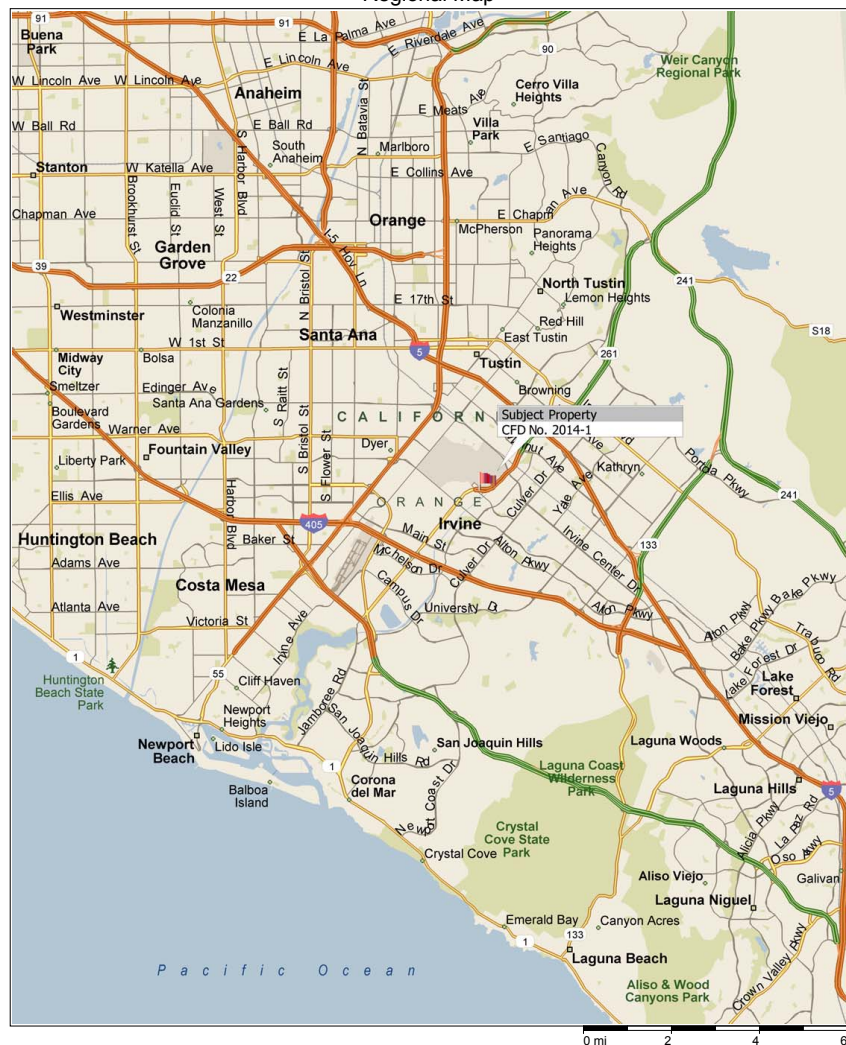
Orange County consists of 34 individual cities and numerous unincorporated communities. Orange County is bounded by the Pacific Ocean to the west, Los Angeles County to the north, Riverside County to the east, San Bernardino County to the northeast and San Diego County to the south. Orange County offers a wide variety of terrain from the Pacific Ocean beaches to foothill landscapes.

A strategic location and quality of life are the primary factors for Orange County's evolution from a rural, agricultural dominated economy into a premier urbanized commercial center. Prior to 1959, the County was considered to be a bedroom community of Los Angeles County. During the 1950's and 1960's, improvements in the transportation network and economic growth in Los Angeles County gave rise to the suburbanization of Orange County. By the 1970's, the commercial and industrial development transformed Orange County into an urbanized commercial center. Today, despite the severe economic downturn of 1991-1996, the filing by the County of Orange for bankruptcy in December 1994, the 2001-2002 recession, and the recent national economic crash, Orange County remains one of the most economically vibrant and diverse components of the Southern California region.

Population

Orange County has added almost 1,215,000 new residents since 1980 as illustrated in the following table. The most recently released population data indicates that as of January 2015, the countywide population stood at 3,147,700 residents. Annual population gains and losses from natural increase and immigration have ranged from a gain of 19,668 persons to a gain of 33,700 persons annually, over the last five years. The

Regional Map



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population changes represent annual changes of 0.6% to 1.1%. The County population experienced a negative 4.1% adjustment in the year 2010. This was due to the population count in the U.S. Census and not from an actual out-migration from the County. The U.S. Census actual counts were significantly less than the prior State of California projections. The County's population increased 4.5% from 2010 to 2015. The 2015 population has finally exceeded the prior record high population of 3,139,000, which occurred in 2009.

Population Trends
1980-2015¹

Year	Population	Average Annual Change Number	Percent
1980	1,932,921	--	--
1990	2,410,668	47,775	2.5%
2000	2,846,289	43,562	1.8%
2001	2,880,200	33,911	1.2%
2002	2,930,500	50,300	1.7%
2003	2,978,800	48,300	1.6%
2004	3,017,300	38,500	1.4%
2005	3,047,000	29,700	1.0%
2006	3,072,300	25,300	0.8%
2007	3,098,100	25,800	0.8%
2008	3,107,500	9,400	0.3%
2009	3,139,000	31,500	1.0%
2010	3,010,232	(128,768)	(4.1%)
2011	3,029,900	19,668	0.6%
2012	3,055,800	25,900	0.9%
2013	3,081,800	26,000	0.9%
2014	3,114,000	32,200	1.0%
2015	3,147,700	33,700	1.1%

¹ April 1, 1980, 1990, 2000, and 2010 all other years January 1.
Source: California Department of Finance, U.S. Census 5/15

The high cost of housing in Orange County compared to other areas has slowed the number of people relocating to Orange County. The recent decline in the Orange County economy began in 2007 and continued until mid-2012. This weakness was led by the decline in the residential real estate market. Both the number of sales and median dwelling prices declined over 40% from the peak of June 2007 to early 2009. As of April 2015, the median price increased over 63% from the lows of early 2009, but is still about 7% below the peak. After having declining sales for over 12+ months, sales have

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increased for the last three months. Median prices have generally fluxuated between \$595,000 and \$605,000 over the last 12 months.

Employment

As of April 2015, Orange County had an unemployment rate of 4.1%, compared to the California rate of 6.1%. One year ago, in April 2014, the unemployment rate was 5.1%. The annual average rate for 2013 was 6.2%. This indicates a 19.6% decrease in the unemployment rate in one year and a 33.9% decrease in two years. From 1980 to 2000, the Orange County employment base expanded rapidly as the area became a financial and service center in the Southern California region. The following table illustrates the area's unemployment compared to California as of April 2015.

	<u>Labor Force</u>	<u>Unemployment</u>
California	18,884,100	6.1%
Orange County	1,585,900	4.1%

The most common measure of employment growth is the increase in nonagricultural wage and salary employment. Job growth in 2003 increased 25,300 jobs. During 2004, the total non-farm employment was 1,456,700, an increase of 1.9% or 27,700 jobs. In 2005, the increase in job growth was reported at 2.4% or an increase of 34,300 jobs. Job growth slowed to 1.9% in 2006 or 27,900 new jobs, for a record total of 1,518,900 jobs. In 2007, job growth declined 3,400 jobs to 1,515,500, or a negative 0.2%. In 2008, there was a decline of 34,000 jobs, or a negative 2.2% job growth. In 2009, job growth declined 109,500 jobs, or a negative 7.4% to 1,372,100 jobs. This was the largest annual decline in Orange County history. Job declines continued into 2010 when 5,400 jobs were lost, a negative 0.4%. The four year decline ended in 2011, when 15,700 jobs were added, an increase of 1.1% to 1,366,700 jobs. In 2012, 37,200 new jobs were added, a 2.7% increase to a total of 1,419,600 jobs. In 2013, 39,800 jobs were added, an increase of 2.8% to 1,459,400 jobs. During 2014 36,500 jobs were added, an increase of 2.5% to 1,495,900 jobs. The job losses between 2007 and 2010 wiped out about 11 years of job growth. The current employment level is about the same as the 2005 level.

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Employment Trends 1983-2014

<u>Year</u>	<u>Employment</u>	<u>Average Annual Change</u>	
		<u>Number</u>	<u>Percent</u>
1983	869,200	--	--
1990	1,172,400	43,314	5.0%
2000	1,388,900	21,600	1.8%
2001	1,413,700	24,800	1.8%
2002	1,403,700	(10,000)	(0.7%)
2003	1,429,000	25,300	1.8%
2004	1,456,700	27,700	1.9%
2005	1,491,000	34,300	2.4%
2006	1,518,900	27,900	1.9%
2007	1,515,500	(3,400)	(0.2%)
2008	1,481,600	(34,000)	(2.2%)
2009	1,372,100	(109,500)	(7.4%)
2010	1,366,700	(5,400)	(0.4%)
2011	1,362,400	15,700	1.1%
2012	1,419,600	37,200	2.7%
2013	1,459,400	39,800	2.8%
2014	1,495,900	36,500	2.5%

¹ 2014 benchmark

Source: Employment Development Department – 6/15

The ten largest employers in Orange County are shown below.

Orange County Ten Largest Employers

<u>Company/Institution</u>	<u>No. of Employees</u>
Walt Disney Co.	27,000
University of California, Irvine (UCI)	22,385
County of Orange	18,035
St. Joseph Health System (St. Joseph)	12,227
Kaiser Permanente	7,000
Boeing Co.	6,890
Walmart	6,000
Memorial Care Health System	5,650
Bank of America	5,500
Target	5,400

Source: Orange County Facts & Figures, 2014

Income

The 2015 median household income in Orange County is estimated to be \$72,856. These figures are significantly above the Southern California region average. The higher income level is due to the higher percentage of financial, insurance, real estate, and business service employment which typically has higher wage scales.

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Orange County Household Income Distribution 2015

Income Range	Households	Percent 1/
Less than \$15,000	84,578	8.12%
\$15,000 - \$24,999	80,075	7.68%
\$25,000 - \$34,999	79,657	7.64%
\$35,000 - \$49,999	116,553	11.18%
\$50,000 - \$74,999	175,287	16.82%
\$75,000 - \$99,999	134,665	12.92%
\$100,000 - \$124,999	107,659	10.33%
\$125,000 - \$149,999	75,044	7.20%
\$150,000 - \$199,999	88,575	8.50%
\$200,000 - \$249,999	31,376	3.01%
\$250,000 - \$499,999	48,492	4.65%
\$500,000 or more	20,264	1.94%
Total	1,042,220	100.0%
Median Household Income		\$72,856
Average Household Income		\$99,514
1/ Percent of total distribution		

Source: Claritas 6/15

Approximately 48% of the county's households have annual income over \$75,000. This high income level, in part, provides the financial means to support the continued demand in the residential market.

Retail Sales

For Orange County, taxable retail sales increased from \$8.5 billion in 1980 to an estimated \$39+ billion in 2006, when the recent decline began. Sales for 1999 and 2000 increased 10.4% and 10.9%, respectively, to \$27.49 billion. In 2001 the sales growth moderated to 3.8% or \$28.52 billion. For 2002, sales increased 4.0%, up to \$29.65 billion. During 2003, taxable retail sales totaled \$32.28 billion; this was an 8.9% increase. This increase continued through 2004 with retail sales at \$35.44 billion, which is a 9.8% increase. In 2005 the growth moderated to 6.3%, with sales at \$37.67 billion. In 2006 the growth further moderated to 3.7%, with sales at \$39.07 billion. In 2007, there was an actual decline to \$38.99 billion, a 0.2% decline. In 2008, sales again declined to \$35.77 billion, or a negative 8.3%. Declining sales worsened in 2009, declining 12.9% to \$31.16 billion. This was a bottom for retail sales in Orange County. In 2010 sales increased to \$32.55 billion or a 4.5% gain. In 2011, retail sales increased 9.3% to \$35,587,795,000.

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The 2012 retail sales increased 7.8% to \$38,372,456. The 2013 sales increased 4.3% to \$40,024,929,000. The 2013 retail sales were at a record high level, finally exceeding the previous record high in 2006. Quarterly retail sales for 2014 have not been released.

Retail Sales Trends¹ 1985-2013

Year	Taxable Retail Sales (000's)	Average Annual Change Number (000's)	Percent
1985	\$13,007,407	--	--
1990	\$17,486,433	\$ 895,805	6.9%
2000	\$27,485,000	\$ 999,857	5.7%
2001	\$28,519,000	\$1,034,000	3.8%
2002	\$29,646,818	\$1,127,848	4.0%
2003	\$32,287,697	\$2,640,879	8.9%
2004	\$35,441,953	\$3,163,256	9.8%
2005	\$37,672,834	\$2,230,881	6.3%
2006	\$39,074,451	\$1,401,617	3.7%
2007	\$38,988,227	(\$ 86,224)	(0.2%)
2008	\$35,768,595	(\$3,219,632)	(8.3%)
2009	\$31,162,619	(\$4,605,976)	(12.9%)
2010	\$32,552,107	\$1,384,488	4.5%
2011	\$35,587,795	\$3,035,688	9.3%
2012	\$38,372,456	\$2,784,661	7.8%
2013	\$40,025,929	\$1,653,473	4.3%

¹ Retail stores, taxable retail sales total
Source: State Board of Equalization

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Real Estate

The following table shows Orange County in relation to the remaining Southern California counties for median price and number of dwellings sold.

County	Southern California Home Sales			Median Price – All Homes		
	No. Sold – All Homes			Median Price – All Homes		
	April 2014	April 2015	Pct. Chg.	April 2014	April 2015	Pct. Chg.
Los Angeles	6,642	7,038	6.0%	\$441,000	\$485,000	10.0%
Orange County	3,111	3,497	12.4%	\$576,000	\$600,000	4.2%
Riverside	3,384	3,663	8.2%	\$286,250	\$310,000	8.3%
San Bernardino	2,434	2,446	0.5%	\$240,000	\$252,500	5.2%
San Diego	3,664	4,026	9.9%	\$435,000	\$455,000	4.6%
Ventura	773	1,038	34.3%	\$466,000	\$480,000	3.0%
Southern California	20,008	21,708	8.5%	\$404,000	\$429,000	6.2%

Source: CoreLogic

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During the period from 1988 through 1989, housing values appreciated at rates approaching an average of 15% per annum throughout much of Orange County and Southern California. During the period from 1990 through 1993 as the economic recession influenced all segments of potential homebuyers, the rate of house price changes fell dramatically with decreases of approximately 4% to 6% per annum. During 1996 home prices stabilized, and most new subdivisions experienced significant price increases from 1997 to mid-2005 with annual double digit appreciation. Over the subsequent 6± years sales prices significantly decreased. However, over the last 3± years, sales prices have increased on a year over year basis in almost every month. The April 2015 sales were the second highest April sales since 2006. The change in sales was up 9.9% from March 2015 and up 8.5% since April 2014. The region's median sale price has changed little over the last five months, following 22 months of double-digit increases. Southern California's April median sale price was 15.0% below the peak median price of \$505,000 reached in July 2007.

In all, 3,497 homes in the County sold in April 2015, which is an increase of 12.4% from April 2014 (Southern California had an increase in sales of 8.5%). The County's April 2015 median price of \$600,000 is up 3.4% over March 2015. Over the past year, the median sales price increased 8.9%, according to CoreLogic. This is a vast improvement from the 20% to 25% annual declines on a monthly basis in 2007 and 2008. The April 2015 median price of \$600,000 was 7.0% below the peak price of \$645,000 in June 2007, but over 62% higher than the January 2009 cyclical low median price of \$370,000. Due to the strength in the new home market, the issuance of new home building permits in the County in 2012 was 70%± higher than the average number of permits issued over the previous five years. During 2013, single-family building permits increased to 3,783 from the 2012 total of 2,846 permits, about 33%. During 2014, single-family building declined 7.0% to 3,519 permits.

In Southern California, as a whole, April home sales were at the second highest level for the month of April since 2006.

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City of Tustin

The City of Tustin is located in central Orange County. It was incorporated on September 2, 1927, though the City's origins date back to the 1860's. It is adjacent to the City of Santa Ana to the west, the City of Irvine to the southeast and the City of Orange to the north. The more rural unincorporated areas of Orange County are located northeast of the City limits. Tustin is accessible from the Santa Ana Freeway (I-5) and the Costa Mesa Freeway (S-55), while the Garden Grove Freeway (S-22) and the Riverside Freeway (S-91) are within five minutes driving time. Please refer to the next page for a neighborhood map of the CFD No. 2014-1.

Tustin has shared in the rapid growth of the region, particularly during the 1960's and 1970's. Nearly all of this population growth has been the result of people moving to the newer job markets in Orange County. Tustin's population in 2010 was reported at 75,540 according to the U.S. Census. This is more than double the population in 1980 of 32,317. The primary cause of the population growth is home buyers attracted to the newer residential developments within the City's remaining vacant acreage. These areas have been located predominantly in the eastern portion of the City and include the community of Tustin Ranch and the reuse areas of MCAS Tustin, known as Tustin Legacy, where CFD No. 2014-1 is located.

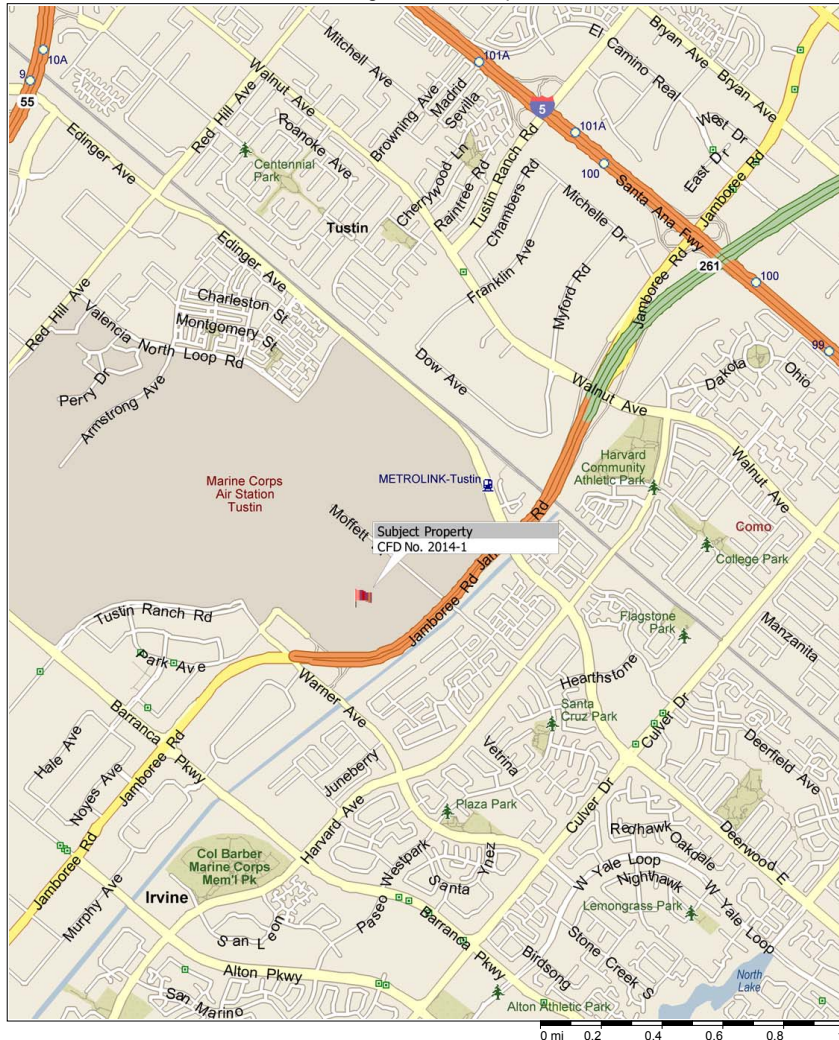
Population

As of the 2000 Census, Tustin had a population of 67,504 persons or a 33% increase over its 1990 population. By the 2010 Census, Tustin had a population of 75,540 or a 12% increase over its 2000 population. The State of California has estimated the City's 2015 population at 79,600 persons for the City of Tustin, a 5.4%± increase since 2010.

Income Levels

The City of Tustin has an income distribution lower than the countywide distribution. The median household income for Tustin is \$71,979, which is slightly below the countywide figure. The average household income in the City is \$97,412, which is slightly lower than the countywide figure.

Neighborhood Map



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City of Tustin
Household Income Distribution 2015

Income Range	Households	Percent 1/
Less than \$15,000	1,664	6.31%
\$15,000 - \$24,999	2,218	8.41%
\$25,000 - \$34,999	2,084	7.90%
\$35,000 - \$49,999	3,279	12.43%
\$50,000 - \$74,999	4,485	17.00%
\$75,000 - \$99,999	3,718	14.10%
\$100,000 - \$124,999	2,607	9.88%
\$125,000 - \$149,999	1,681	6.37%
\$150,000 - \$199,999	2,241	8.50%
\$200,000 - \$249,999	779	2.95%
\$250,000 - \$499,999	1,185	4.49%
\$500,000 or more	435	1.65%
Total	26,376	100.0%
Average Household Income		\$97,412
Median Household Income		\$71,979

1/Percent of Total Distribution

Source: Claritas 6/15

Retail Sales

In 2013 the City generated retail sales of \$1,677,223,000 or 4.2% of the County's total retail sales. The retail sales increased 21.6% from the City's 2010 level, while the County increased 23.0% during the same period. Although the annual retail sales for 2014 have not been reported, sales are forecast to increase 5%-6%.

Employment

The City of Tustin has a reported labor force of 41,800 persons, for April 2015. The unemployment rate for this area is 3.8%, slightly lower than the countywide rate. The top ten employers (2013 - most current data available) in the City are shown on the following table.

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Major Employers in Tustin

Employer	No. of Employees
Tustin Unified School District	1,313
Rockwell Collins Inc.	600
Ricoh Electronics Inc.	500
Costco	450
City of Tustin	360
Newport Specialty Hospital	300
Tustin Hospital & Medical Center	300
Toshiba America Medical Systems	300
Micro Vention Inc.	300
Balboa Water	253

Source: City of Tustin 6/14

Transportation

Tustin has very good freeway access provided by State Highway 55 (Costa Mesa Freeway), which is contiguous with the west City limits, and Interstate 5 (Santa Ana Freeway), the major north/south freeway in California. These major freeways intersect at an interchange situated in the west portion of the City. From here, the Costa Mesa Freeway extends north to the Riverside Freeway (S-91) providing access into Riverside and San Bernardino counties and west into Los Angeles. The Costa Mesa Freeway continues southwest from Tustin to Costa Mesa and Newport Beach. The Santa Ana Freeway generally bisects the City. It extends northwest to Los Angeles and further to Ventura County and central California. To the south, it provides access to San Clemente and ultimately to San Diego and the international border with Mexico. Also available is the Eastern Transportation Corridor, a toll road that runs from the Riverside Freeway near Anaheim to Tustin, merging into Jamboree Road just north of the subject. This provides access to the major employment centers of Central and Coastal Orange County.

Jamboree Road is classified as an eight-lane major arterial from the SCRRA/OCTA Railroad, north of Edinger Avenue, to Barranca Parkway. Jamboree Road forms the transition area for the southerly terminus of the west leg of the Eastern Transportation Corridor (ETC). There is a grade-separated interchange at Edinger Avenue, just north of

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CFD No. 2014-1. Currently, Jamboree Road has an average daily traffic volume between 65,000 and 78,000 cars. Edinger Avenue has a volume of 23,800 cars. Edinger Avenue has been improved to Major Arterial standards. The City of Tustin acquired approximately six feet of right-of-way along the south side of Edinger Avenue, which has been widened to its ultimate width. Harvard Avenue is classified as a Primary Arterial from Edinger Avenue to Barranca Parkway. Harvard Avenue is classified as a Secondary Arterial from Edinger Avenue to the railroad right-of-way. Moffett Avenue is classified as a Local Collector Street and will have two travel lanes (one in each direction) and sidewalks from Harvard Avenue to Tustin Ranch Road. The current road terminates east of the Peters Canyon Channel and will be completed in conjunction with CFD No. 2014-1. Kensington Park Road is classified as a secondary arterial from Edinger Avenue to Armstrong Avenue. Armstrong Avenue is also a secondary arterial from Valencia to Warner Avenue (and will be ultimately extended to Barranca Parkway).

Private streets for attached and detached residential dwellings with no parallel parking within the travel way shall have a minimum paved width of 24 feet. Private streets for attached and detached dwellings where on-street parallel parking will be limited to one side only shall have a minimum paved width of 32 feet. Private streets for attached and detached residential dwellings with on-street parallel parking permitted on both sides of the street shall have a minimum paved width of 36 feet.

Immediate Neighborhood

MCAS Tustin Specific Plan is located in Southern California near the center of Orange County, and is approximately 40 miles southeast of downtown Los Angeles. The MCAS Tustin Specific Plan area encompasses approximately 1,606 gross acres. The majority of the Specific Plan, 1,511 acres, lies in the southern portion of the City of Tustin and is known as Tustin Legacy. Approximately 95 acres, consisting of former military family housing and vacant land, lies within the City of Irvine. The City of Santa Ana borders the site to the southwest. The existing Columbus Square development is located on the south side of Edinger Avenue, east of Red Hill Avenue. This site is generally surrounded by undeveloped land to the south and east. The existing Columbus Grove development is located east of Jamboree Road and west of Harvard Avenue, north of Warner Avenue.

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The MCAS Tustin was realigned and closed on July 2, 1999 in accordance with the Base Realignment and Closure Act. MCAS Tustin was originally recommended for realignment and closure by the Defense Base Realignment and Closure (BRAC) Commission in its June 1991 report to President Bush. The President accepted the BRAC recommendations in July 1991 and Congress confirmed the closure in October 1991. In 1993, the BRAC Commission reconsidered its earlier recommendations to close MCAS Tustin. The Commission reconfirmed the decision to close the base but modified its realignment locations for receiving facilities and mandated closure no later than July 1999. In 1995, the BRAC Commission again modified its previous determinations concerning the proposed locations for the realignment of Marine Corps assets. The Department of Defense recognized the City of Tustin as the Lead Agency or Local Redevelopment Authority for preparation of the required reuse planning document in late 1991.

The MCAS Tustin Specific Plan encompasses an area bounded by four freeways: the Costa Mesa (SR-55), Santa Ana (I-5), Laguna (SR-133), and San Diego (I-405) Freeways. The major roadways which border the specific plan area include Red Hill Avenue on the west, Edinger Avenue/Irvine Center Drive on the north, Harvard Avenue on the east and Barranca Parkway on the south. Jamboree Road transects the specific plan area and provides access to the Eastern Transportation Corridor. John Wayne Airport is located approximately three miles to the southwest, and a Metrolink Commuter Rail station providing daily passenger service to employment centers in Orange, Los Angeles, Riverside, and San Diego counties is located immediately to the north of the specific plan area.

Virtually an island in a highly urbanized location, the specific plan area is generally bounded by single-family residential uses and business park uses to the north, light industrial and research and development uses to the west, light industrial and commercial uses to the south, and residential uses to the east of Harvard Avenue in the City of Irvine. Newer residential development in Tustin Legacy includes Columbus Square with 989 dwellings and Columbus Grove with 465 dwellings. Recently two apartment projects were completed. On the west side of Tustin Ranch Road is a 533 unit apartment project, known as Amalfi and on the east side of Tustin Ranch Road is a 225 unit affordable apartment

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project, known as Anton Legacy. Tustin Legacy is one of the largest remaining tracts of developable land in central Orange County. Its locational advantages in terms of proximity to transportation facilities, community services, and regional commercial and cultural facilities make it a prime location for urban development.

At the northwest corner of Barranca Parkway and Jamboree Road is a newer retail center known as "The District". This center is built on approximately 88 acres within the MCAS Tustin Specific Plan area. Tustin Ranch Road from Walnut Avenue to Barranca Parkway borders the west side of the center. "The District" consists of 1,000,000± square feet of retail space. "The District" consists of three distinct areas known as The Lifestyle and Entertainment Village, Promotional Retail District and the Regional District. The Lifestyle and Entertainment Village is anchored by a AMC/Tustin 14, a 14-screen multiplex theater along Barranca Parkway. The Promotional Retail District features specialty shops along Jamboree Road, including Best Buy, Whole Foods and T.J. Maxx. The Regional District includes big box warehouse stores along Tustin Ranch Road, including Costco, Lowes, Target, Office Depot and Petsmart.

CFD No. 2014-1 consists of 78.168 gross acres in Planning Area 15 of Neighborhood G within the MCAS Tustin Specific Plan. CFD No. 2014-1 is south of the future Moffett Avenue and east of Park Avenue. This site is generally surrounded by undeveloped land to the north and west. Jamboree Road is adjacent to the east. The Peters Canyon Channel is located on the east side of Jamboree Road. Jamboree Road is "super street" which is elevated above the surface level of the subject site.

Conclusions of Area Analysis

The strength of the economy for Orange County is evident in the relatively stable employment and, correspondingly, population of the County. While the employment and population figures have shown continued growth, local unemployment has consistently been below the national and state averages. The rebound from the past recession has shown significant gain in population and employment numbers. Most economists predict a continuation of expansion since the recent recession is over.

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The local economy previously experienced economic decline from 2008 into 2012, due largely to the national and state recessions. However, beginning in mid-2012 the markets stabilized and home prices have increased. Inflation is reported to remain low, which should keep mortgage rates from rising too steeply while the economy gains strength. Nationally, the economy has rebounded from the recent recession lows. As of June 1, 2015 the Dow Jones Industrial Average (DJIA) is near historical highs of over 18,000. The S&P 500 is near historical highs of over 2,100. Home buyer demand in South and Central Orange County and all of Southern California currently exceeds the supply of homes on the market.

Orange County has experienced an increase of 10%± in median home price from a year ago. The median home price in Orange County was \$600,000 in April 2015. Home prices continue to increase, on a year-over-year basis. The year over year change in the sales rate have increased over the last two months and are expected to increase during the summer of 2015.

The City provides excellent schools and community amenities, which are desirable characteristics for families as well as young and established professionals. Local growth provides an economic and employment base for retail and service businesses. As the economy and housing market recovers from the recent recession, a return to more normal growth should continue. The retail development of the Irvine Business Complex and in Tustin has generated strong interest in the area.

The four proposed residential products of CFD No. 2014-1 offer detached dwellings in market demand for Central Orange County. The area provides good schools and community amenities, which are desirable characteristics for families as well as young and established professionals. Local growth provides an economic and employment base for retail and service businesses that will be supplemented by jobs resulting from the development of the surrounding business parks. The industrial and retail developments of the cities of Tustin and Irvine have generated strong interest in the area. This future development will result in continued demand for housing.

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SITE ANALYSIS

Location

CFD No 2014 consists of a 78.168 site in the City of Tustin within the MCAS Tustin Specific Plan known as Tustin Legacy. The MCAS Tustin Specific Plan area encompasses approximately 1,606 gross acres. The MCAS Tustin Specific Plan covers an area bounded by four freeways: the Costa Mesa (SR-55), Santa Ana (I-5), Laguna (SR-133), and San Diego (I-405) Freeways. The major roadways which border the Specific Plan area include Red Hill Avenue on the west, Edinger Avenue/Irvine Center Drive on the north, Harvard Avenue on the east and Barranca Parkway on the south. Jamboree Road transects the site and provides access to the Eastern Transportation Corridor.

CFD No. 2014-1, commonly known as the Standard Pacific Development site is bounded by Park Avenue on the west, Jamboree Road on the east, the future Moffett Drive on the north and the Warner Avenue off-ramp on the south. This 78.2± acre site has been graded from a blue-top lot condition to a physically finished lot condition for the construction of 375 detached dwellings in four communities. The subject parcel is also identified as Disposition Parcels 1B and 6A within the MCAS Tustin Specific Plan.

Tustin Legacy

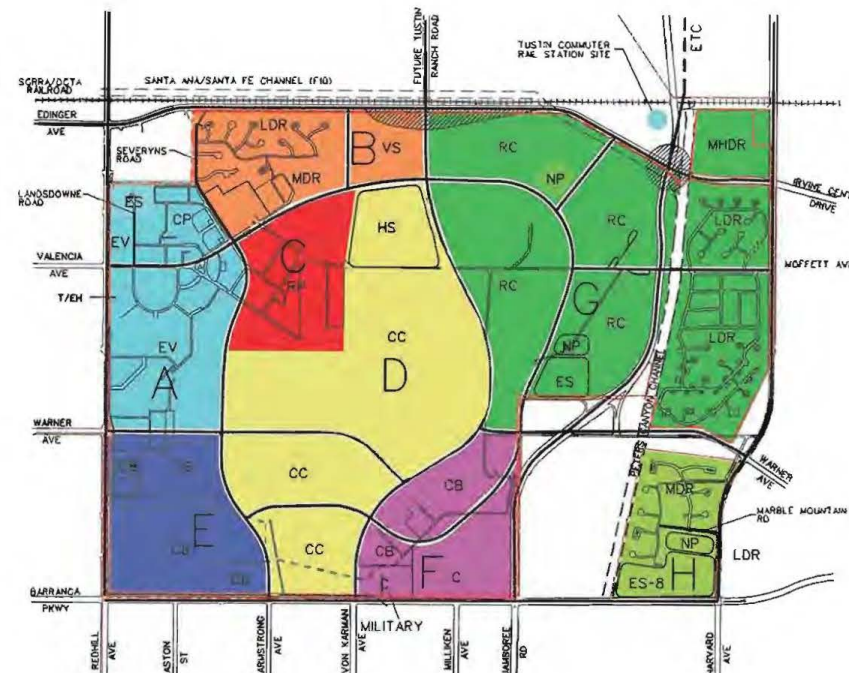
The MCAS Tustin Specific Plan envisions a collection of neighborhoods which will have their own characteristics within Tustin Legacy. A neighborhood may be comprised of more than one land use designation. The neighborhoods of Tustin Legacy are intended to establish a community structure and provide the basis for the range of land uses, intensity of development and urban design characteristics. The MCAS Tustin Specific Plan contains eight neighborhoods. The land uses are according to the MCAS Tustin Specific Plan, adopted February 3, 2003, and amended and adopted on April 3, 2006. The specific plan was amended on March 16, 2010; October 18, 2011, and April 3, 2012. Please review the neighborhood summary on the following page, with a map of the neighborhoods following.

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Chapter 2 • Plan Description

Neighborhoods

Neighborhood Summary		
Land Use	Gross Acreage	Range of Dwelling Units Non-Residential Sq.Ft.
Neighborhood A		
Education Village/Elementary School – 10 acres	128.0	
Community Park	24.1	
Transitional/Emergency Housing	5.1	
Subtotal	157.2	1,586,476 Sq.Ft.
Neighborhood B		
Low Density Residential	54.2	1 – 7 du/acre
Medium Density Residential	51.7	8 – 15 du/acre
Village Services	20.7	
Subtotal	126.6	925 Dwelling Units Max. 248,292 Sq.Ft.
Neighborhood C		
Urban Regional Park	84.5	
Subtotal	84.5	574,992
Neighborhood D		
Community Core	314.8	
Medium-High Density Residential		16 – 25 du/acre
High School – 40 acres		
Subtotal	310.6	891 Dwelling Units Max. 4,757,279 Sq.Ft.
Neighborhood E		
Commercial Business	117.3	
Subtotal	117.3	1,267,324 Sq.Ft.
Neighborhood F		
Commercial	55.3	
Military – 16.7		
Commercial Business	47.3	
Subtotal	102.6	1,483,553 Sq.Ft.
Neighborhood G		
Residential Core	271.0	
Low Density Residential – 112.6 acres		1 – 7 du/acre
Medium Density Residential – 51.8 acres		8 – 15 du/acre
Medium High Density Residential – 8.3 acres		16 – 25 du/acre
Commercial – 29.3 acres		
Parks/Open Space – 59.0		
Elementary School – 10 acres		
Low Density	127.1	1 – 7 du/acre
Medium High Density Residential	29.4	16 – 25 du/acre
Subtotal	427.5	2,383 Dwelling Units Max. 466,637 Sq.Ft.
Neighborhood H		
Medium Density Residential – Irvine	73.4	8 – 15 du/acre
Elementary School K-8		
Subtotal	73.4	402 Dwelling Units Max.
Right-of-Way		
Roadways	173.4	
Drainage (Flood Control and Storm Drains)	28.5	
Subtotal	201.9	
GRAND TOTAL	1,606.1	4,601 Dwelling Units Max 10,384,553 Sq.Ft.



LEGEND

- A - NEIGHBORHOOD A - EDUCATION VILLAGE
- B - NEIGHBORHOOD B - VILLAGE HOUSING
- C - NEIGHBORHOOD C - REGIONAL PARK
- D - NEIGHBORHOOD D - COMMUNITY CORE
- E - NEIGHBORHOOD E - EMPLOYMENT CENTER
- F - NEIGHBORHOOD F - REGIONALLY-ORIENTED COMMERCIAL DISTRICT
- G - NEIGHBORHOOD G - RESIDENTIAL CORE
- H - NEIGHBORHOOD H - IRVINE RESIDENTIAL
- MCAS TUSTIN BOUNDARY
- IRVINE/TUSTIN/SANTA ANA BOUNDARY
- SPECIFIC PLAN BOUNDARY

THIS IS A GRAPHIC REPRESENTATION OF A PLANNING/ENGINEERING CONCEPT. FINAL DESIGN SOLUTIONS (LOCATION AND SIZING) WILL BE PROPOSED AND REVIEWED AS PART OF SUBSEQUENT APPROVALS NEEDED BY THE RESPECTIVE AGENCY WITH JURISDICTION.



MCAS Tustin Specific Plan/Rene Plan

HNTB

City of Tustin
Figure 2-2

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Neighborhood A – Education Village

Neighborhood A is located along the west edge of Tustin Legacy. The Education Village will be an important anchor for the community with a range of public-serving uses within a walkable campus setting. By virtue of its uses and operation, the Education Village will be linked to many other uses and activities within Tustin Legacy. Its primary functions are to provide education, training, and specific social service functions.

Neighborhood B – Village Housing

Neighborhood B is located in the northwestern quadrant of Tustin Legacy. Through reuse or new development of a range of housing types, Neighborhood B is expected to offer basic, affordable housing. The housing will be complemented by commercial services that will meet the daily shopping needs of residents, employees and visitors to the site. The neighborhood will also have a supporting function as a transition or buffer area between existing residential neighborhoods north of Edinger Avenue, which are not part of Tustin Legacy, and the Education Village and Community Core uses. Columbus Square, consisting of 1,075 dwelling units, is located within this neighborhood.

Neighborhood C – Urban Regional Park

Neighborhood C is located near the center of Tustin Legacy, bordered by North Loop Road (extension of Valencia Avenue) on the north and Armstrong Avenue on the west. The future Urban Regional Park will be a significant public amenity that will not only serve regional needs, but provide a buffer between the living environment and commercial and business areas. This area will serve a number of functions including open space conservation, recreation, community resource services, and concession commercial supportive to the park, and historic preservation and/or display. Currently this neighborhood is improved with the North Blimp Hangar.

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Neighborhood D – Community Core

Neighborhood D encompasses the central area of Tustin Legacy. This neighborhood will provide an opportunity for one or more unique, large-scale development proposals that would complete the Specific Plan area. The primary functions of Neighborhood D include: maintaining long-range flexibility as a major opportunity area, providing opportunities for mixed-use development (which includes medium-high density residential projects), a future high school site, and 533 apartments now under construction, future business parks and a future corporate campus. Currently, this neighborhood is improved with the South Blimp Hangar.

Neighborhood E – Employment Center

Neighborhood E is located in the southwest quadrant of Tustin Legacy. This neighborhood will be an employment center for the community. It will provide a business park setting for a full range of professional offices, research and development, and commercial business uses.

Neighborhood F – Regionally-Oriented Commercial District

Neighborhood F is located on the southeast quadrant of Tustin Legacy. This neighborhood is an existing auto-oriented, regional level commercial center, known as the District. Commercial uses include regional commercial and retail uses, specialty merchandising, wholesale, and discount commercial businesses.

Neighborhood G – Residential Core

Neighborhood G is located on the northeastern portion of Tustin Legacy. CFD No. 2014-1 is located in Neighborhood G. The Residential Core is intended to function as the primary residential enclave within the community. The Residential Core will provide a range of housing types including transitional family units, entry-level units, higher-end housing and commercial opportunities. This neighborhood will also include recreationally-based amenities. It will provide the opportunity to tie existing housing to the community through uses, access and design. Neighborhood G will also provide a desirable transition to existing Tustin and Irvine residential

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neighborhoods to the north and east. Columbus Grove Tustin, consisting of 465 dwelling units that have been built and sold to end users, is located within this neighborhood. The District's four communities totaling 375 detached dwellings opened for sales on May 30, 2015.

Neighborhood H – Irvine Residential Neighborhood

Neighborhood H is in the southeast corner of Tustin Legacy. The family housing provides a buffer between Irvine residential neighborhoods to the east and business uses to the west. It also contains an alternate school facilities and park facilities as needed to support residents in the vicinity. Columbus Grove Irvine, consisting of 402 dwelling units that have been built and sold to end users, is located in this neighborhood.

As of December 2013, City Staff began studying "New Vision Concepts" for the remainder of the undeveloped Tustin Legacy project. This included Neighborhoods D, E and G. There are currently two alternatives: "Main Street" and "Corporate Campus." The "Main Street" proposal reduces the non-residential development by 1,830,189 square feet of building, while increasing the residential development by 1,863 dwelling units. The "Corporate Campus" proposal reduces the non-residential development by 968,819 square feet of building, while increasing the residential development by 1,001 dwelling units. Either of these proposals will require an amendment to the existing specific plan.

Current Site Condition

As of the date of value, the subject property is a land parcel in the early stages of dwelling construction, with the land ranging from a blue-top lot condition to a physically finished lot condition. There are four residential projects being built and marketed in CFD No. 2014-1. Sheldon, Crawford and Stafford are being built Standard Pacific Homes, Huntley is being built by Brookfield Residential. All four projects have completed model home complexes, each with three model homes. In addition, 12 lots in the Sheldon project and one lot in the Huntley project are improved with first floor framing and six lots in the Huntley project, six lots in the Crawford project and five lots in the Stafford project have slab foundations completed. According to Standard Pacific Corporation, the total site

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construction budget is \$68,680,000±. As of June 1, 2015, \$40,000,000± had been spent on site construction. Approximately \$28,680,000 remain to be spent on site construction.

Size and Shape

The District consists of one irregular shaped site. According to Final Tract Map No. 17507, the District encompasses approximately 78.168 gross acres. Of the total acres approximately 43.3 acres are slated for residential development. Final Tract Map No. 17507 includes all of the proposed development of 375 dwelling units. As mentioned, CFD No. 2014-1 in its entirety is proposed for the 375 for-sale detached dwelling units, plus a 6.1± acres focal park. Please refer to the table below for a breakdown of acreages of the uses in CFD No. 2014-1. A copy of the Final Tract Map is on Page 37.

Gross Area (AC):	78.2
<i>Areas by Type</i>	<i>Acres</i>
Private Street:	19.6
Private Drive (1):	2.1
Focal Park:	6.1
Greenbelt Park (5):	3.8
Landscape Area:	3.2
Residential Lot Area:	43.3

Soils and Geology

The appraisers were provided with a geotechnical summary review report prepared by NMG Geotechnical, Inc., dated June 7, 2013, for Tentative Tract Map No. 17507. The report concluded that the proposed development is feasible from a geotechnical standpoint, provided their detailed recommendations included in the report are incorporated in the project plans. The soils report, dated June 7, 2013, describes the subject site as follows.

"The project site is located within the Tustin Plain area of the Peninsular Range geomorphic province. Quaternary-age alluvium underlies the site to depths of greater than 200 feet. The recent alluvium is estimated to be roughly 50 feet thick. A small portion of the site adjacent to Park Avenue was recently rough-graded by the City under the geotechnical observation and testing of NMG. The adjacent grading included excavation of an earthen drainage swale and a desilting basin in the western corner of the site, and construction of temporary berms adjacent to

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Jamboree Road and future Legacy Road. The adjacent sections of Park Avenue and Legacy Road consist of compacted artificial fill materials, on the order of 5 to 10 feet thick, overlying alluvium. The temporary berm consists of non-structural fill and the desilting basin bottom exposes native alluvium. The earthen drainage swale on the site (near Park Avenue) also exposes alluvium.

The majority of the alluvial materials are consistent with the characteristics of the alluvium within the Tustin Plain. In general, the shallow alluvium consist of clays, sandy clays and some clayey sands that are damp to moist and saturated near the groundwater table. The alluvial deposits are soft to stiff, generally moderately to highly expansive (low end of range), corrosive to metal and concrete, and compressible. Sandy layers/zones have been locally encountered at various depths greater than 20 feet and are generally medium dense. A very soft and compressible soil layer, which consists of organic silty clay and peat, was encountered locally at depths ranging approximately from 19 to 26 feet. This highly compressible layer is generally on the order of 1 to 2 feet thick. The native soils also have low permeability and are poor subgrade soils for future street pavements and hardscape.

The groundwater contours for the project area show that the groundwater ranges from 8 to 13 feet below the existing ground surface. Some minor variation in the groundwater levels may occur due to seasonal change. Based on the shallow groundwater conditions and low permeability of clayey soils, the site is considered suitable for infiltration. Due to the environmental and other project specifications, the utilization of geotechnical subdrains for groundwater control is not allowed.

Based on NMG's assessment of the overall subsurface information, the subject site has a low liquefaction potential due to the fine-grained nature of the onsite soils. We anticipate that seismic settlement up to 1 inch may occur across the site during a large earthquake event. Surface manifestation caused by liquefaction is considered a low risk based on the minor thickness of the liquefiable layers and the thickness of the non-liquefiable surface cover.

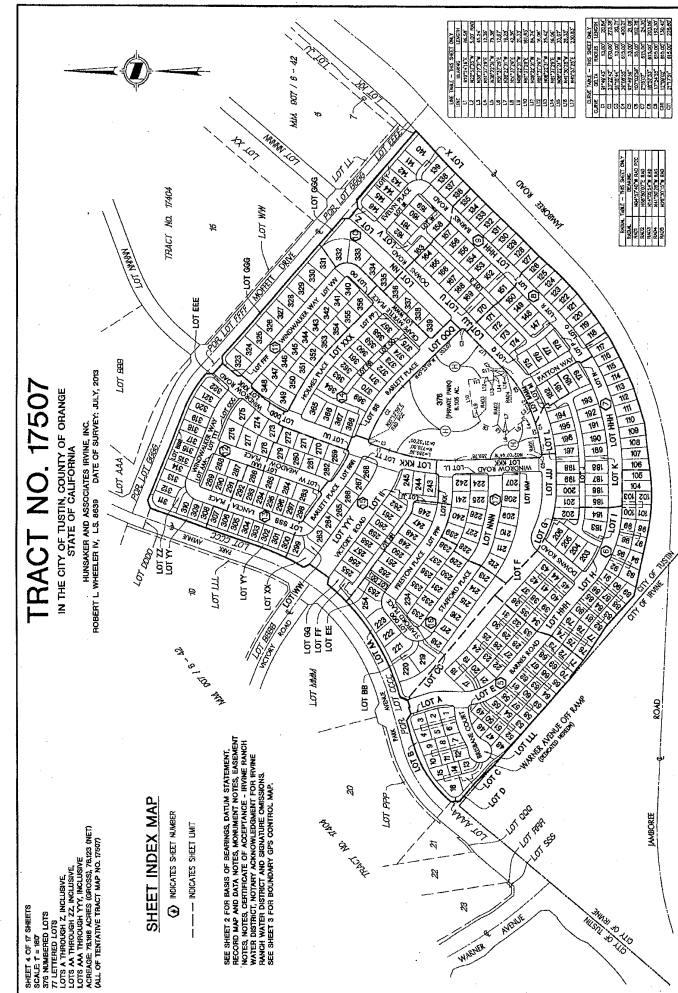
The site is not located within a fault-rupture hazard zone as defined by the Alquist-Priolo Special Studies Zones Act and no evidence of active faulting was observed during this investigation, or by prior work at the site. Based on the USGS Deaggregation Program, the San Joaquin Hills Thrust Fault is the controlling fault for this site with a 21 to 30 percent contribution. The site has a moderate to high potential for seismic ground shaking during a future earthquake on a regionally active fault. The predominant earthquake magnitude for the San Joaquin Hills Fault is 6.6. Based on the regional faults discussed above, the potential for ground rupture is considered slight to nil."

Planned Development

The development will consist of construction of two-story, residential single-family structures (total of 375 dwellings), along with associated street and utility improvements, walls and two community parks/greenbelts. A substantial amount of grading, including import of fill, was required to establish finish grades for dwelling construction. The fill thicknesses across the site generally vary from 4 to 8 feet.

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For purposes of this appraisal assignment, we assume the soil conditions are suitable for the proposed highest and best uses. The appraisers are not experienced in determining the suitability of soil conditions; therefore, it is suggested that the client contact a professional soil expert to determine the suitability of the soil conditions of the land. This appraisal report is also based on the fact that there are no hazardous materials contaminating the soil. No representation is made by the appraisers concerning the soil conditions.

Topography/Drainage

CFD No. 2014-1 in its entirety consists of a large flat plain. The neighborhoods will be built on the flat plain areas. The parcels do not offer significant view potential. Site elevations range from approximately 40 feet above sea level to approximately 50 feet above sea level. The site slopes generally down from north to south.

It is assumed for purposes of this appraisal that the builders will fulfill all grading/drainage requirements of the City of Tustin.

Zoning

CFD No. 2014-1 is currently zoned MCAS Tustin Specific Plan (SP-1), by the City of Tustin. Allowed uses include: residential, commercial, retail, office, entertainment retail, mixed use, and institutional.

CFD No. 2014-1 is designated a combination of low density residential and medium-density residential. The low density zoning allows between 1 DU to 7 DU per acre. The medium density zoning allows between 8 DU per acre to 15 DU per acre. The overall density is 4.80 DU per acre. CFD No. 2014-1 is located in Neighborhood G, Planning Area 15 of the specific plan.

In December of 2013, the City of Tustin approved Tentative Tract Map No. 17507, which subdivided the subject property into 375 lots and a 6.1 acre park site. The Final Tract Map No. 17507 was recorded on December 30, 2014.

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There are four housing products proposed with various architectural styles as follow:

Sheldon at Tustin Legacy is designated medium density residential and is the smallest home type. It is bordered by the green belt park on the north, the Warner Avenue off-ramp on the south and Park Avenue to the west. There are 103 homes ranging from 1,860 to 2,343 square feet and consist of 3 bedrooms, 2.5 baths to 4 bedrooms and 3 baths. The minimum lot size is 2,400 square feet.

Huntley at Tustin Legacy is designated low density residential and is located in both the northwest corner of the community as well as along the eastern boundary adjacent to Jamboree Road and the Warner Avenue off-ramp. Huntley consists of 77 homes ranging in size from 2,597 to 3,008 square feet and configured with 4 bedrooms, family room, and 3 baths to 4 bedrooms, family room (optional bedroom) and 4.5 baths. The minimum lot size is 3,772 square feet.

Crawford at Tustin Legacy is designated low density residential and consists of 99 homes ranging in size from 3,012 to 3,612 square feet. The homes are configured with 4 bedrooms, loft, office and 3 baths to 5 bedrooms, bonus room and 5.5 baths. Each of the homes also has an optional bonus room and/or suite over the garage. A standard "Legacy Room," an extension of indoor to outdoor living space also is provided for each of the homes. The minimum lot size is 5,000 square feet.

Stafford at Tustin Legacy is designated low density residential and consists of 96 homes with wide lots dispersed throughout the northwesterly quadrant of the community on two sides of the centralized park. The homes ranging in size from 3,311 to 3,880 square feet and configured with 4 bedrooms, office/bonus room and 4.5 baths to 5 bedrooms, bonus room, office, and 5.5 baths. The minimum lot size is 5,250 square feet.

The centralized focal park is approximately 6 acres in size and would be accessible to the residents of the project and the general public. The public portion of the park is designed with community plaza, playgrounds, main lawns for recreation activities and other amenities such as bocce ball courts, basketball court and picnic areas. The private areas consist of a pool, kid's splash and play area, outdoor seating area with built in BBQ, and a club house for residents only.

Access and Circulation

Regional access to the area is provided by the Santa Ana (I-5) Freeway. Interstate 5 runs in a southeasterly direction from Los Angeles through Orange County, bisecting the

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Saddleback Valley and continuing southeast to San Diego. Access to the subject's immediate area is via Jamboree Road and Edinger Avenue/Irvine Center Drive. Jamboree Road is a major north/south thoroughfare traversing the Tustin, Irvine, and Newport Beach communities. Jamboree Road has a full interchange with the I-5 Freeway about one mile north of the subject. Edinger Avenue/Irvine Center Drive is a major east/west thoroughfare which connects to full interchange facilities with the SR-55 Freeway, to the west. Full freeway interchange facilities with SR-55 are three miles to the west.

The primary access to the subject is from Park Avenue and Moffett Drive. Park Avenue is dedicated 94 feet wide and is paved with four lanes of asphalt with concrete curbs and gutters. There is a raised, landscaped center median. Sidewalks will be constructed during the development of the subject property. There are traffic signals and left turn pockets at Victory Road and the Warner Avenue off-ramp. The future Moffett Drive will be dedicated 70 feet wide, with four lanes of asphalt paving. Street improvements will be similar to Park Avenue.

The future interior streets will offer adequate access to the dwellings and minimize traffic. The streets within the development will be asphalt paved, with concrete curbs and gutters. Public streets will be dedicated 60 feet wide and the private streets will be dedicated 25 feet wide.

With the nearby Eastern Transportation Corridor (S-261), additional regional access is available. This link from the S-91 Freeway to the I-5 Freeway and to Jamboree Road is complete.

Easements

The appraisers have been provided with one preliminary title policy for the 375 lots within the District. The policy was prepared by First American Title Company, dated August 8, 2014. The policy does state that a lien for CFD No. 2014-1 was recorded June 18, 2014. The policy includes notice of real estate taxes, normal utility and street easements, covenants and conditions in various deeds, unstated agreements, parcels for streets and

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open space/parks, a disposition and development agreement, a deed of trust to secure future payments to the City of Tustin and restrictions on Disposition Parcels 1B and 6A.

A review of the policies did not indicate any easements, encroachments, agreements or conditions that would adversely affect the value of the properties. ***However, this appraisal is contingent upon the fact that there are no easements, encroachments, or conditions that would adversely affect the value of the property.***

Utilities

As of the date of this appraisal, all of the utilities are available to the subject property. The utilities required to support the subject property to its highest and best use are provided by the following companies/agencies:

Electricity:	Southern California Edison
Natural Gas:	Southern California Gas Company
Telephone:	AT&T/Cox
Fire:	Orange County Fire Authority
Police:	City of Tustin
Transit:	Orange County Transit District
Water:	Irvine Ranch Water District
Sewer:	Irvine Ranch Water District

Earthquake, Flood Hazards, and Nuisances

The subject property, as of the date of valuation, was not located in a designated Earthquake Study Zone as determined by the State Geologist. However, all of Southern California is subject to seismic activity. In addition, the subject property is located in a Zone "X" flood designated area according to Federal Emergency Management Agency Community Panel No. 06059C0279J, effective date December 3, 2009. This designation references an area of minimal flooding, which is partially outside the 0.2% annual chance flood plain and partially inside the 0.2% annual chance flood plain. Flood insurance is not required.

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Hazardous Material/Toxic Waste

Physical inspection of the District did not indicate evidence of on-site hazardous materials and/or toxic waste. All of the District has been graded into 375 residential lots in a blue-top lot condition to a physically finished lot condition.

The appraisers were provided with a Phase II Environmental Site Assessment Report for the subject property, dated September 17, 2013. We have also reviewed several previous letters from the United States Environmental Protection Agency, California Regional Water Quality Control Board and the Department of Toxic Substances Control. Based on the information provided and the current physical condition of the parcels, it appears that development as proposed is allowed.

The Phase II environmental soil report made the following conclusions.

- Elevated concentrations of chlorinated pesticides were not detected in the surficial soil analyzed across the former agricultural area of the site.
- Elevated concentrations of lead or other California Title 22 metals were not detected in surficial soil analyzed from the vicinity of the former bunker structures on the site or throughout the former agricultural area of the site.
- Selenium was not detected above its laboratory reporting limit in surficial soil samples analyzed across the site.
- Cobalt was detected above the SSLR in one soil sample collected from 5 feet bgs (boring C3) in the surface water catchment area at the western corner of the site. Cobalt was not detected above the SSLR at the surface at this location. Additionally, cobalt was not detected above the SSLR in soil samples collected from the surface or from 5 feet bgs in three stepped-out soil borings located approximately 10 feet from boring C3. Therefore, The environmental consultant concludes that the elevated cobalt concentration detected in soil boring C3 does not appear to be laterally extensive.
- Acetone and the petroleum hydrocarbon-related VOCs ethylbenzene and xylenes were detected at 5 feet bgs in the vicinity of the former wash pad discharge location at the eastern corner of the site, at concentrations well below their respective SSLRs.
- Petroleum hydrocarbons, VOCs, or California Title 22 metals were not detected in the vicinity of the former UST previously located near the eastern corner of the site.

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Environmental Issues

The subject site was formerly military use lands. No rare or threatened species were observed on the subject sites.

Transportation

Vital to an area's growth and economic expansion are its transportation facilities for both business and residents. The following is a summary of the existing transportation facilities available in the area.

Rail:	Amtrak stops in Tustin, about one mile north.
Truck:	11 major trucking lines serve Orange County.
Air:	John Wayne Airport (3 miles), Los Angeles International Airport (50 miles)
Bus:	Orange County Transit District, Dial-A-Ride, Park-N-Ride.
Water:	Long Beach Harbor/Port of Los Angeles (40 miles).
Highways:	Santa Ana Freeway (Interstate 5) San Diego Freeway (Interstate 405) Costa Mesa Freeway (State 55) Eastern Transportation Corridor (S-261).

Taxes and Special Assessments

Pursuant to Proposition 13, passed in California in 1978, current assessed values may or may not have any direct relationship to current market value. Except in limited circumstances, real estate tax increases are limited according to Proposition 13 to a maximum of 2% per year. If the property is sold, real estate taxes are normally subject to modification to the then current market value.

The basic levy for the properties is 1%. In addition, there are taxes and assessments for Metropolitan Water District, Irvine Ranch Water District and Vector Control, and Tustin Unified School District. The total tax rate is 1.14105%. The 375 residential lots are subject to Special Tax by the City of Tustin CFD No. 2014-1. The Special Tax for facilities will range from \$2,819 to \$4,997 per dwelling, based on dwelling size. The developed total tax rate is generally estimated between 1.670% to 1.750%± of the sales prices of the individual homes. Webb & Associates, has estimated the Special Taxes on the undeveloped land and dwelling

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units within CFD No. 2014-1. Please review the table on Page 45, which shows the Assessed Values of all the taxable property in CFD No. 2014-1. Because the properties were owned by the City of Tustin when the 2014-2015 roll was established, the property was exempt.

According to the District's CFD Administrator, Webb Associates, there are no parcels with delinquent taxes for Fiscal Year 2014-2015.

It is a specific assumption and condition of this appraisal that all of the property taxes due are paid in full and that there are no delinquencies within the District.

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City of Tustin

CFD 2014-1
Tustin Legacy/Standard Pacific
Assessed Values & Taxes

APN	Tract	Legal Lot	Assmt. Yr.	Land Value	Imp. Value	Total Value	Property Tax	Tax Area
430-381-19	17404	13	2014	\$16,207,219	\$0	\$16,207,219	N/A	13169
430-381-20	17404	14	2014	\$17,564,948	\$0	\$17,564,948	N/A	13169
430-381-21	17404	8	2014	\$7,087,718	\$0	\$7,087,718	N/A	13168
430-381-22	17404	9	2014	\$15,646,364	\$0	\$15,646,364	N/A	13168
430-381-23	17404	12	2014	\$9,135,763	\$0	\$9,135,763	N/A	13168
430-381-24	17404	11	2014	\$7,295,508	\$0	\$7,295,508	N/A	13169
430-381-25	17404	10	2014	\$843,028	\$0	\$843,028	N/A	13169
430-381-47	17404	SS	2014	\$0	\$0	\$0	N/A	13169
430-381-48	17404	CCC	2014	\$0	\$0	\$0	N/A	13169
430-381-49	17404	VV	2014	\$0	\$0	\$0	N/A	13169
430-381-50	17404	UU	2014	\$0	\$0	\$0	N/A	13168
430-381-51	17404	NN	2014	\$6,784,237	\$0	\$6,784,237	N/A	13168
430-381-52	17404	MM	2014	\$0	\$0	\$0	N/A	13168
430-381-54	17404	TT	2014	\$0	\$0	\$0	N/A	13168
430-381-55	17404	OO	2014	\$0	\$0	\$0	N/A	13168
430-381-56	17404	PP	2014	\$0	\$0	\$0	N/A	13168
430-381-57	17404	ZZZ	2014	\$0	\$0	\$0	N/A	13169
430-381-59	17404	OOO	2014	\$0	\$0	\$0	N/A	13169
430-381-60	17404	QQ	2014	\$0	\$0	\$0	N/A	13169
430-381-61	17404	RR	2014	\$0	\$0	\$0	N/A	13169
430-381-70	17404	OOOO	2014	\$0	\$0	\$0	N/A	13169
430-381-72	17404	DDD	2014	\$0	\$0	\$0	N/A	13169
				<u>\$80,564,785</u>	<u>\$0</u>	<u>\$80,564,785</u>	N/A	

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PROPOSED AND EXISTING IMPROVEMENT DESCRIPTION

General

CFD No. 2014-1 is proposed for 375 detached dwelling units and a 6.1 acre park to be built on 78.2± gross acres within the MCAS Tustin Specific Plan (Tustin Legacy Planned Community), in the City of Tustin. As of the date of value, June 1, 2015, the District ranges from a blue-top lot condition to a physically finished lot condition with 12 completed model homes, 13 dwellings in a first floor framing stage and 17 lots with concrete slabs and foundations. There are four different products ranging from an average size dwelling unit of 2,124 square feet on 2,400 square foot lots within a courtyard development to an average size dwelling of 3,807 square feet on 5,250 square foot lots. The Sheldon project has 12 dwellings in the first floor framing stage. The Huntley project has one dwelling in the first floor framing stage and six lots with slabs/foundations. The Crawford project has six lots with slabs/foundations and Stafford has six lots with slabs/foundations. According to the owner/developer of the District, the current plans are for Standard Pacific Corp. to develop three products with 298 proposed dwelling units, and sell the fourth product proposed for 77 dwelling units to Brookfield Residential. Standard Pacific Corp. anticipates closing escrow with Brookfield Residential by October 2015.

Development Timeline

As previously discussed, rough grading of the District began mid-June 2014 and was completed by December 2014. Construction of the sewer, storm drain and water improvements were completed by April/May 2015. Dry utilities are scheduled for completion in September 2015. Trenching for the model homes for all four products began in January 2015, with completion in May 2015. Grand opening took place on May 30, 2015 for all four products. Trenching for production homes began in May 2015. Production homes are anticipated to be released in phases of generally 5 to 8 units for the three larger products and 6 to 12 units for the courtyard product.

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Affordable Housing Requirements

The City of Tustin plans to provide for "affordable" housing or subsidized housing to lower-income people who can then afford to rent or buy in the City. In general, the number of units required to be set aside for "affordable" housing is 15% of the total number of planned residential units. The resale of the new for-sale affordable units is controlled by the City for 45 years. However, according to the information provided by the City, there are no affordable housing requirements for the build-out of CFD No. 2014-1.

Existing Floor plans

There are four detached products being built and marketed in CFD No. 2014-1. The following table summarizes the information available to the appraisers as of the date of this appraisal report. The following pricing was provided by Standard Pacific Corp. and Brookfield Residential.

Product Name	Lot Size	No. Units	Density	Bdrm/Bath	Unit Size	Garages	Base Price	\$/SF
Sheldon	Courtyard 2,440 SF	31	8.4 u/acre	3/2.5	1,860	2	\$656,900	\$353.17
		36		3/2.3	2,171	2	\$726,900	\$334.82
		19		4/3.0	2,122	2	\$711,900	\$335.49
		17		4/3.0	2,343	2	\$761,900	\$325.18
	Average Unit Size for 103 Units of the Sheldon product: 2,124 SF							
Huntley	3,772 SF	20	5.5 u/acre	4/3	2,597	2	\$865,000	\$333.08
		26		4/3	2,839	2	\$900,000	\$317.01
		31		5/4.5	3,008	2	\$942,000	\$313.16
Average Unit Size for 77 Units of the merchant builder product 2,815 SF								
Crawford	5,000 SF	26	4.7 u/acre	4/3.0	3,012	3	\$981,900	\$326.00
		34		4/4.0	3,412	3	\$1,052,900	\$305.59
		39		5/4.5	3,612	3	\$1,094,900	\$303.13
Average Unit Size for 99 Units of the Crawford product: 3,387 SF								
Stafford	5,250 SF	26	4.4 u/acre	5/4.5	3,880	2	\$1,198,900	\$308.99
		32		5/5.5	3,711	2	\$1,121,387	\$302.18
		38		5/4.5	3,831	2	\$1,154,023	\$301.23
Average Unit Size for 96 Units of the Stafford product: 3,807 SF								
Totals:		375 Units						

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The appraisers did not receive building plans for the four residential projects. The appraisers did review sales brochures which included floor plans. For purposes of this appraisal, we have assumed that the quality of construction, functional utility, amenities and features are similar to the currently selling projects and meet market demand for new product in the subject's market area.

The following list summarizes the construction specifications for the detached single-family homes of the project being built by Standard Pacific Housing and Brookfield Residential.

Construction

Units are of Class "D" construction; wood frame and stucco siding with several elevation choices.

Foundations

Foundations are poured concrete. Particle board over wood floor joists for the second floor.

Structural Frame

Consists of 2" x 4" and 2" x 6" wood framing.

Roofs

Roofs are of concrete tile.

Windows

Dual glazed low E white vinyl framed windows and sliding glass door.

Floor Covering

Floor coverings are wall-to-wall carpet in all living areas. Entries, master bathroom and kitchens are of ceramic tile and secondary bathrooms and laundry room are of vinyl.

Interior Finish

Custom trowelled ceiling and painted drywall.

Heating/HVAC

Energy efficient central air conditioning and gas forced air heating. Stafford has two air conditioning units.

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Kitchens

Kitchens will be equipped with laminate cabinets and granite countertops. Each kitchen will include above standard appliances with 30" self-cleaning oven and 5 burner gas cooktops, microwave oven and dishwasher.

Bathrooms

Master bathrooms will have double sinks with cultured marble vanities, laminate cabinets, tub, and ceramic tile shower. Secondary bathrooms will have cultured marble vanities, combination tub/shower, and laminate cabinets.

Garage

Garage doors are two or three car sectional steel roll-up with concrete driveways.

Fireplace

No fireplace.

Laundry Facilities

Interior laundry rooms

Options

Numerous options and upgrades are available including fireplace, flooring, cabinet and countertop upgrades. Most options and upgrades provided at competing, similar quality developments will be offered.

Conclusion of the Improvements

We have not been provided with detailed information regarding quality of construction or specifications for the existing floor plans. Therefore, it is a specific assumption of this appraisal that the quality and utility of the floorplans are similar to the products currently being constructed in the subject's marketplace and that it will generally meet buyer expectations.

Functional Utility

It is an assumption of this appraisal that all of the floor plans are functional, and competitive with current design standards.

Remaining Economic Life

The total/remaining economic life, according to the Marshall Valuation Service, is considered to be 50 years from date of completion.

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Homeowner's Association

All of the projects within the District will have individual homeowner's associations. The estimated monthly dues for the master association is \$229.00 at build-out per dwelling. There are specific costs within the master association for the Crawford and Sheldon products that will maintain the private drives and landscaping costs. The estimated additional monthly dues are \$34.00 per month for the Sheldon product and \$85.00 per month for the Crawford product.

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HIGHEST AND BEST USE

The term *highest and best use* is an appraisal concept that has been defined as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.⁶

The determination of highest and best use, therefore, requires a separate analysis for the land as legally permitted, as if vacant. Next, the highest and best use of the property with its improvements must be analyzed to consider any deviation of the existing improvements from the ideal. "The highest and best use of both land as though vacant and property as improved must meet four criteria. The highest and best use must be: legally permissible, physically possible, financially feasible, and maximally productive. These criteria are often considered sequentially."⁷ The four criteria interact and, therefore, may also be considered in concert. A use may be financially feasible, but it is irrelevant if it is physically impossible or legally prohibited.

Legal Considerations

The legal factors influencing the highest and best use of the subject property are primarily governmental regulations such as zoning and building codes.

All of the land subject to Special Tax included in CFD No. 2014-1 is within Final Tract Map No. 17507. The subject of this appraisal includes 78.2± gross acres of land proposed for 375 detached dwelling units. The District ranges from a blue-top lot condition to a physically finished lot condition. As of the date of value, 12 model homes are complete. Thirteen dwellings are under construction, in the first floor framing stage

⁶ *The Dictionary of Real Estate Appraisal*, 4th Edition, Pub. by the Appraisal Institute, Chicago, IL., p. 135.

⁷ *The Appraisal of Real Estate*, 10th Edition, Pub. by the Appraisal Institute, Chicago, IL., p. 280.

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and 17 lots have slabs and foundations completed. As previously discussed, all of CFD No. 2014-1 is entitled for the proposed uses. The net developable density is approximately 4.8 units per acre. The proposed improvements are legal and conforming uses.

Physical and Locational Considerations

The physical and locational characteristics of the subject property are considered good for the proposed uses. The proposed uses conform to the various zoning specifications as approved by the City of Tustin. The subject properties are a natural extension of existing residential developments located in the City of Tustin and also in City of Irvine. The Tustin area is established and offers a large employment base near CFD No. 2014-1. Prior to the recent recession and deterioration in the residential market, there was strong demand for similar developments as evidenced by sales of merchant builder land and dwelling units in the adjacent planned communities. Since the end of the last recession and more particularly from 2012 to the present time, the strong demand for residential dwelling units has returned to the Orange County and Tustin markets.

All necessary utilities are reported to be available to the District with capacity to service the proposed developments. The site's access and configuration are good. Topography is level. The subject sites do not appear to present any development constraints. This appraisal report and the values included herein assume there are no soil problems or hazardous conditions that would have an adverse impact to development of the CFD No. 2014-1.

Based on the physical analysis, the site's location and topography would suggest the land has a primary use of residential development due to the adjacent developments, Final Tract Map approval and on-site construction.

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Market Conditions and Feasibility

The financial feasibility of the development of CFD No. 2014-1 is based on its ability to generate sufficient income and value in excess of the costs to develop the property to its highest and best use. Please refer to the Valuation sections of this report, which give support to the financial feasibility of CFD No. 2014-1.

The attractiveness of residential development anywhere in Orange County is evidenced by market activity which has taken place over the last 30 years. The current condition of the housing market is that there has been a significant increase in demand over the past 24± months, which has positively impacted price. The decline in sales and prices between the end of 2005 through 2011 has ended. There was a slight increase in the median Orange County home price between July 2011 and July 2012 of almost 3%. However, the following 12 month period to mid-2013 showed the median price increased almost 20%. From July 2013 to July 2014, the price increase moderated to 8.4%. It appears pricing has generally stabilized as of the date of value. The current median price of \$600,000 is reportedly 7.0%± below the June 2007 peak of \$645,000. It appears that the upward pressure on price due to demand outpacing supply could be over. Over the past 12 months, sales increased by 12.4%, from 3,111 sales in April 2014 to 3,497 sales in April 2015. Median home price increased 4.2% from \$576,000 to \$600,000 over the 12 month time frame.

As of May 2014, there were 8,793 existing and new homes for sale in Orange County. More recently, Orange County had 5,825 homes for sale in May 2015, a decrease of over 33%. Absorption of all homes currently on the market is estimated at 56 days, much lower than the typical four month absorption going back to 2004. The current inventory, albeit still a third of the average between 2009 and 2013, supports a much more sustainable market than what was seen one year ago. The decrease in sales activity is reflective of the decrease in inventory for existing homes.

According to the Metrostudy report dated first quarter of 2015, homebuilders sold 916 new homes in the Orange County market, which represents a 5.3% decrease from the new home sales one year ago. This represents a 3.1% increase for detached

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homes, while the attached new home closings decreased by 24.7%. On an annual rolling 12-month basis, new detached home closings in Orange County are up 23.2% from the same period last year.

The median sale price of all new homes closed during the first quarter of 2015 was at \$830,100, an increase of 7.4%+ from the previous year. The median detached sale price increased 10.1% to \$959,200, while the median attached sale price decreased 11.1% to \$541,900 over the past 12 months.

According to Metrostudy, at the end of Q1 2015 there were 97 active detached subdivisions in the Orange County market, representing an increase of 8 subdivisions from one year ago. At the end of Q1 2015, there were 1,484 available detached units, which include model homes and dwellings in various stages of construction. Based on the most recent closing data, this represents a 5.7 month supply of inventory of dwellings. According to Metrostudy there are 2,527 finished lots in the County which represents an 11.2 month supply of finished lots.

Metrostudy locates the City of Tustin within the Central submarket of Orange County. This area includes the cities of Anaheim, Anaheim Hills, Buena Park, Cypress, Fountain Valley, Garden Grove, Irvine, Orange, Santa Ana, Stanton, and Westminster. The Central submarket region accounted for 443 detached sales during the first quarter of 2015, or a 64% market share of the Orange County market. This sales rate is up 23.1% from the first quarter 2014 sales rate. Another indication of the strong and stabilizing market is that for the second quarter of 2014, the Central submarket had average quarterly sales per project of 8.4 units. One year ago, the sales rate was similar at 8.6 units per month. Over the last 12 months, the Central submarket reported 1,843 closings compared to 1,517 for the 12 months ending March 2014, a 21.5% increase. The annual (12-month) closing rate per subdivision stabilized at 29.2 units per year in Q1 2014 to 29.3 units per year in Q1 2015, representing a 0.3% increase.

The median detached sales price in the Central submarket has increased 4.5% from \$887,600 in Q1 2014 to \$927,300 in Q1 2015. The attached sales price fell 25.4%

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from \$621,200 one year ago to \$463,500 in Q1 2015. The median detached unit size increased 1.4%+ from 1,964 square feet to 1,993 square feet. The attached median size decreased 13.8% from 1,804 square feet to 1,554 square feet. The median price per square foot for a detached dwelling increased from \$413 to \$427 over the past 12 months. This is the second highest price per square foot in Orange County. The North Coastal area reports \$455 per square foot for a detached dwelling. The attached dwelling units increased in median price per square foot from \$325 to \$351 in Q1 2015, a 7.9% increase in price per square foot.

During the first quarter of 2015, the subject's submarket sold 31 detached homes priced between \$500,000 and \$599,999; 67 detached homes priced between \$600,000 and \$699,999; 62 detached homes priced between \$700,000 and \$799,999 and 283 homes priced over \$800,000 were sold. There were 145 attached units that sold in the subject's submarket in the first quarter of 2015. Of those, 19 units were priced under \$400,000; 31 were priced between \$400,000 and \$499,999; 43 were priced between \$500,000 and \$599,999, 18 were priced between \$600,000 and \$699,999; 25 were priced between \$700,000 and \$799,999 and 10 were priced over \$800,000.

Within the Central submarket there are 53 active detached projects and 17 active attached products at the end of Q1 2015. This is 11 more than the end of Q1 2014 for detached products and four more for attached products. The subject's submarket area reports 193 detached units as built but unsold inventory units and 610 unsold units under construction. This is a 5.3+ month absorption time for the completed dwellings and units under construction. Total inventory which includes units built, under construction and model homes totals 905 units which equates to a 5.9 month supply at the current sales rate. One year ago total detached inventory was at 1,083 units, and the absorption time based on last year's sales rate was 8.6 months. While total inventory decreased 16%, absorption time decreased 31.4% or 2.7 months.

According to an interest rate survey published weekly in the Los Angeles Times, the typical 30-year, fixed rate conforming loan is around 3.9% as of the date of this report. Mortgage rates have been in the 3.7% to 3.9%+ range over the past month. Six

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months previously, rates were in the 4.2% range. While a slight increase in rates may impact demand, we do not anticipate a significant drop in demand, due to the interest rate increases, as long as rates remain near the current level. The current level of interest rates, along with stable to moderately increases in sales prices, should continue to sustain sales activity, for qualified buyers.

The table on the following two pages illustrates the currently selling detached projects within the subject's market area. The detached projects are generally selling around 4± to 7± units per month. The four subject projects opened for sales on May 30, 2015. During the first week of sales, Sheldon sold 12 dwellings, Crawford sold 3 dwellings, Stafford sold 4 dwellings and Huntley sold 2 dwellings.

Feasibility

It is not in the scope of this appraisal assignment for the appraisers to conduct an extensive independent market study/absorption analysis, but it is the appraisers' responsibility to address the reasonableness of the conclusions of any market study which has been prepared by outside firms for the subject property. Unforeseen national and regional economic and/or social changes will affect the time-frame of real estate development.

In an attempt to arrive at a reasonable and supportable absorption schedules for the proposed dwellings within CFD No. 2014-1, the appraisers reviewed an independent prepared absorption analysis that relates to the entire build-out of the District. This independent study is titled Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) Market Absorption Study, prepared for the City of Tustin and prepared by Empire Economics, Inc., dated May 18, 2015.

The study analyzes the four proposed products within CFD No. 2014-1. The report reflects no closed sales until October 2015. The report forecasts future closings of 37

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Comparable Residential Project Summary Detached Single Family Homes June 1, 2015

No.	Project, Builder & City	Units	Product Type	Price Range	Size Range	\$/Sq. Ft. Range	No. Released	No. Sold Start Dt.	Overall Mo. Abs.
Subject Property - Greenwood in Tustin Legacy									
1	Sheldon	103	2,400	\$656,900	1,860	\$353.17	12	N/A	0.0
	Standard Pacific Homes		average	\$726,900	2,171	\$334.82		May-15	
	Tustin			\$711,900	2,122	\$335.49			
				\$761,900	2,343	\$325.18			
2	Crawford	99	5,000	\$981,900	3,012	\$326.00	9	N/A	0.0
	Standard Pacific Homes			\$1,052,900	3,412	\$308.59		May-15	
	Tustin			\$1,094,900	3,612	\$303.13			
3	Stafford	96	5,250	\$1,198,900	3,880	\$308.99	6	N/A	0.0
	Standard Pacific Homes			\$1,121,387	3,711	\$302.18		May-15	
	Tustin			\$1,154,023	3,831	\$301.23			
4	Huntley	77	3,772	\$865,000	2,597	\$333.08	7	N/A	0.0
	Brookfield Homes			\$900,000	2,839	\$317.01		May-15	
	Tustin			\$942,000	3,008	\$313.16			
Orchard Hills									
5	Corte Bella	118	Detached	\$811,000	1,833	\$442.44	109	75	6.3
	Irvine Pacific		Condo	\$905,700	1,922	\$471.23		Jun-14	
	Irvine		2,000	N/A	2,101	N/A			
6	Terrazza	149	Detached	\$861,000	1,981	\$434.63	50	34	2.8
	Irvine Pacific		Condo	\$943,000	2,331	\$404.55		Jun-14	
	Irvine		2,900	\$981,000	2,408	\$407.39			
7	Strada	224	4,000	\$1,051,189	2,195	\$478.90	112	87	7.3
	Irvine Pacific			\$1,128,800	2,480	\$455.16		Jun-14	
	Irvine			\$1,169,300	2,693	\$434.20			
Stonegate									
8	Sausalito	54	4,500	\$1,349,900	3,533	\$382.08	54	51	2.5
	Shea Homes			\$1,379,900	3,670	\$375.99		Sep-13	
	Irvine			\$1,459,900	4,011	\$363.97			
9	Arcadia	127	4,000	\$1,164,000	2,909	\$400.14	91	55	2.4
	TRI Pointe Homes			\$1,252,000	3,202	\$391.01		Jul-13	
	Irvine			\$1,257,000	3,593	\$349.85			

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Comparable Residential Project Summary Detached Single Family Homes June 1, 2015								
No.	Project, Builder & City	Units	Product Type	Price Range	Size Range	\$/Sq. Ft. Range	No. Released	No. Sold Start Dt. Mo. Abs.
10	Lafayette	60	4,000	\$1,071,990	2,443	\$438.80	35	32 11.2
	Richmond American Homes			\$1,102,990	2,692	\$409.73		Mar-15
	Irvine			\$1,147,990	2,853	\$402.38		
Portola Springs								
11	Sage II	125	Detached	\$729,880	1,697	\$430.10	60	52 5.0
	KB Home		Condo	\$796,880	1,975	\$403.48		Jul-14
	Irvine			\$799,880	1,959	\$408.31		
Cypress Village								
12	Jasmine	228	Detached	\$757,300	1,627	\$465.46	151	147 10.5
	Irvine Pacific		Condo	\$768,500	1,654	\$464.63		Apr-14
	Irvine			\$799,300	1,804	\$443.07		
13	Laurel	120	3,300	\$972,000	2,170	\$447.93	92	83 6.4
	Irvine Pacific			\$1,022,000	2,295	\$445.32		May-14
	Irvine			\$1,072,000	2,493	\$430.00		
14	Marigold	242	Detached	\$794,550	1,840	\$431.82	200	190 7.6
	Irvine Pacific		Condo	\$819,650	1,919	\$427.12		May-13
	Irvine			\$829,950	1,979	\$419.38		
				\$929,950	1,993	\$466.61		
Baker Ranch								
15	Ridgewood	85	4,000	\$849,900	2,124	\$400.14	76	70 4.4
	Shea Homes			\$859,900	2,202	\$390.51		Feb-14
	Lake Forest			\$879,900	2,390	\$368.16		
16	Parkview	111	3,300	\$793,995	1,874	\$423.69	99	86 5.4
	Toll Brothers			\$816,995	2,010	\$406.47		Feb-14
	Lake Forest			\$836,995	2,123	\$394.25		
				\$838,995	2,196	\$382.06		
17	Heights	72	4,000	\$1,004,995	2,686	\$374.16	69	64 4.0
	Toll Brothers			\$1,009,995	2,695	\$374.77		Feb-14
	Lake Forest			\$1,014,995	2,714	\$373.98		
18	Highlands	83	4,500	\$1,114,995	2,991	\$372.78	80	70 4.4
	Toll Brothers			\$1,140,995	2,966	\$384.69		Feb-14
	Lake Forest			\$1,165,995	3,015	\$386.73		

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dwellings during 2015, 160 dwellings during 2016, 124 dwellings during 2017 and 54 dwellings in 2018. Based on the absorption analysis prepared by Empire Economics, the estimated average monthly absorption per project is 2.0+ to 4.6+ units, with an overall absorption of 2.4+ units per month per project.

It is our opinion, after surveying the competitive projects and analyzing the pricing, design, location and other pertinent factors that the subject properties should experience good absorption, similar to that estimated by Empire Economics, Inc., assuming market conditions continue as currently predicted.

Maximally Productive

In considering what uses would be maximally productive for the subject property, we must consider the previously stated legal considerations. We are assuming the land uses allowed under the zoning specifications of CFD 2014-1 in the City of Tustin are the most productive uses that will be allowed at the present time. Current zoning and approved uses indicate that other alternative uses are not feasible at this time.

As discussed all of the subject products opened for sale on May 30, 2015. Products that entered the market during 2011/2012 are generally sold out due to the explosion of sales activity during 2012 and 2013. The return to an active residential market after the housing crash and economic recession has created significant merchant builder activity, over the past 30+ months.

Based on current market conditions, it appears that the proposed products meet current market demand. It is our opinion that development of detached products between 2,000 and 4,000 square feet, provides the highest land value and is, therefore, maximally productive.

Conclusion

Legal, physical, and market considerations have been analyzed to evaluate the highest and best use of the property. This analysis is presented to evaluate the type of uses which will generate the greatest level of future benefits possible from the land. After

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reviewing the alternatives available and considering this and other information, it is the opinion of the appraisers that the highest and best use for the subject property, as vacant and as improved, is for residential development of detached dwellings similar to what is currently proposed in CFD No. 2014-1. In general, the proposed projects appear to have the location and features to obtain an acceptable sales rate under normal financing and market conditions.

As Vacant

After reviewing the alternatives available and considering this and other information, it is these appraisers' opinion that ultimate development of single-family detached for-sale products is considered the highest and best use of the property. The market has improved significantly and continually over the past 30± months. The forecast for continued economic growth is better than what we have seen in several years.

As Proposed

The proposed uses are a legal use of the properties and the value of the properties as proposed far exceed the value of the sites if vacant. This means that the proposed improvements contribute substantial value to the sites. Based on these considerations, it is our opinion that the proposed residential improvements constitute the highest and best use of the subject property.

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VALUATION METHODOLOGY

Basis of Valuation

Valuation is based upon general and specific background experience, opinions of qualified informed persons, consideration of all data gathered during the investigative phase of the appraisal, and analysis of all market data available to the appraiser.

Valuation Approaches

Three basic approaches to value are available to the appraiser:

Cost Approach

This approach entails the preparation of a replacement or reproduction cost estimate of the subject property improvements new (maintaining comparable quality and utility) and then deducting for losses in value sustained through age, wear and tear, functionally obsolescent features, and economic factors affecting the property. This is then added to the estimated land value to provide a value estimate.

Income Approach

This approach is based upon the theory that the value of the property tends to be set by the expected net income therefrom to the owner. It is, in effect, the capitalization of expected future income into present worth. This approach requires an estimate of net income, an analysis of all expense items, the selection of a capitalization rate, and the processing of the net income stream into a value estimate.

Direct Comparison Approach

This approach is based upon the principle that the value of a property tends to be set by the price at which comparable properties have recently been sold or for which they can be acquired. This approach requires a detailed comparison of sales of comparable properties with the subject property. One of the main requisites, therefore, is that sufficient transactions of comparable properties be available to provide an accurate indicator of value and that accurate information regarding price, terms, property description, and proposed use be obtained through interview and observation.

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Static Residual Analysis is used to estimate the merchant builder finished lot value. From the estimated base retail home price, all costs associated with the home construction including direct construction costs, indirect construction costs, financing and profit are deducted. Following the deduction of costs, the residual figure is an estimate of the merchant builder finished lot value.

Developmental Analysis is a form of appraisal by direct comparison for estimating land value. It is based upon the premise that one would not pay more for a parcel of land than its contributory value to the economic enterprise of developing the parcel into finished sites. It essentially treats land as one of the raw materials required for developing a master planned community. If one is able to prepare a reasonably reliable forecast of the finished site improvements that can be developed on that parcel of land and identify all of the costs and required profit margins, what is residual or left over is what is available to acquire the land.

The purpose of this appraisal assignment is to estimate the "As Is" Market Value for the taxable property within CFD No. 2014-1. As summarized in the Site Analysis and Proposed and Existing Improvement Description sections of this report, there are four products proposed for development. In total the four products are proposed for 375 detached dwelling units. All of the products are detached units ranging from a courtyard configuration on 2,400 square foot lots to dwellings on 5,250 square foot lots. The land has been under site construction since June 2014. Rough grading is complete. Wet utilities are complete and dry utilities and paving are under construction and scheduled to be completed in September 2015.

The Direct Comparison Approach is used for the valuation of land when sufficient comparable sales are available. Their sales prices would be considered the best indicators of value, assuming the sales are current and in a similar land condition. The Income Approach is typically used when appraising income producing properties. This approach is not applicable in the valuation of land as land is not typically held to generate monthly income, but rather purchased to construct an end product that may or may not generate income. The Cost Approach is not an appropriate tool in the valuation of land.

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The land will be valued assuming a merchant builder condition of physically finished lots. Consideration is given to the four proposed products. After valuation of the physically finished lots, deductions for impact fees and site costs are made to estimate the "as is" condition of the land. The Static Residual Analysis is also used to value the merchant builder parcels with the information provided by the developer Standard Pacific Corporation and Brookfield Residential, for the four proposed products. The Static Residual Analysis more closely reflects current market conditions in a dynamic market. Due to the dramatic changes in the residential market over the past two years, the Static Residual Analysis is considered a reliable method for estimating finished lot value based on the proposed products.

As previously discussed, there are 375 completed and proposed dwelling units within CFD No. 2014-1, of which no dwellings have closed to individual homeowners. There are 12 model homes, and 13 dwellings under construction, in the early first floor framing stage. The balance of the District consists of 350 blue top lots and physically finished lots, of which 17 have foundations under construction.

Traffic and acceptance of the products have been good, with stabilizing market conditions. The 13 dwellings under construction are valued based on the estimated completion of construction with consideration given to current market conditions. The 12 model homes are valued based on 110% completion with consideration to the landscape, options and upgrades. The 13 dwellings being framed are valued based on the estimated completion for the specific floor plan and conservatively estimated at 55%.

For the 350 blue-top lots to physically finished lots under the ownership of the Standard Pacific Corporation, the Direct Sales Comparison Approach and Static Residual Analysis are used to value the finished lots. Valuation by the Direct Sales Comparison Approach is with similar merchant builder land sales, when available, and current listings. The Static Residual Analysis is also used for valuation purposes as it more closely reflects current market conditions. A finished lot value is estimated with consideration from each analysis. The finished lots include the 17 lots with slabs and

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foundations under construction.

The Developmental Analysis residuals to a bulk "As Is" estimate of value by identifying all required costs to finish the land, build the various products and the required profit margin. This analysis is considered an appropriate procedure for estimating value, when projecting revenue over a market supported absorption period. The site costs and vertical construction costs have been estimated by the developer, Standard Pacific Corporation. In the case of the subject property, the land has been graded into blue-top lots to physically finished lots. Standard Pacific Corporation has reported that the total site construction is budgeted at \$68,680,000±. Based on information provided by Standard Pacific Corporation, we have estimated approximately \$40,000,000 of costs having been spent for entitlement and site construction up through May 31, 2015. According to Standard Pacific Corporation the remaining site costs are approximately \$28,680,000. As discussed, the proposed products have been identified and site costs have been estimated. The Developmental Analysis is used to estimate the bulk value of the 350 lots.

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VALUATION OF MODEL HOMES AND DWELLINGS UNDER CONSTRUCTION

As previously discussed, the four products offered within CFD No. 2014-1 entered into an active sales program on May 30, 2015. All four products have met with good market acceptance. There are 3 model homes completed with upgraded interior features and landscape and hardscape for each product. There is not a model home for Plan 3 of the Sheldon product. In addition to the 12 model homes, there are 13 dwelling units under construction that have started framing the first floor as of the date of value. There are 17 lots that have foundations, which will be valued as finished lots. The Sheldon product has 12 dwellings under construction and the Huntley product has one production home under construction.

The appraisers have given consideration to the stabilizing market conditions in valuing the dwelling units under construction. For the 13 units that are in the beginning framing stage of construction, we have estimated a completion of 55% of their completed value per floor plan.

The model homes have upgrades and options as well as landscape and hardscape. However, there are costs associated with converting the model home to a ready to sell condition. We have estimated 110% of value for the model homes based on their floor plan value. The table on the following page summarizes the units under construction and 12 model homes within the four actively selling products.

The estimated Market Value for the 12 model homes and 13 dwellings under unit construction under the ownership of the developer, Standard Pacific Corporation, is \$17,731,021, rounded to \$17,730,000. The following section of this report will value the 17 finished lots with foundations under construction and the 333 blue-top lots to physically finished lots under the ownership of Standard Pacific Corporation.

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City of Tustin CFD No. 2014-1
Standard Pacific Corp.
Valuation of Model Homes and Dwellings with Vertical Construction

Product and Builder	Unit Size	Building Permit Date	# of DUs	Plan	Dwelling Unit Condition	Base Sales Price	Est. Percent Complete	Estimated Value
MODEL HOMES								
Sheldon/Standard Pacific Corp.	1,860		1	Model Home-Plan 1	Interior/Exterior Upgrades	\$656,900	110%	\$722,590
	2,171		1	Model Home-Plan 2	Interior/Exterior Upgrades	\$726,900	110%	\$799,590
	2,343		1	Model Home-Plan 3X	Interior/Exterior Upgrades	\$761,900	110%	\$838,090
Huntley/Brookfield Residential	2,597		1	Model Home-Plan 1	Interior/Exterior Upgrades	\$865,000	110%	\$951,500
	2,839		1	Model Home-Plan 2	Interior/Exterior Upgrades	\$900,000	110%	\$990,000
	3,008		1	Model Home-Plan 3	Interior/Exterior Upgrades	\$942,000	110%	\$1,036,200
Crawford/Standard Pacific Corp.	3,012		1	Model Home-Plan 1	Interior/Exterior Upgrades	\$981,900	110%	\$1,080,090
	3,412		1	Model Home-Plan 2	Interior/Exterior Upgrades	\$1,052,900	110%	\$1,158,190
	3,612		1	Model Home-Plan 3	Interior/Exterior Upgrades	\$1,094,900	110%	\$1,204,390
Stafford/Standard Pacific Corp.	3,880		1	Model Home-Plan 1	Interior/Exterior Upgrades	\$1,198,900	110%	\$1,318,790
	3,711		1	Model Home-Plan 2	Interior/Exterior Upgrades	\$1,121,387	110%	\$1,233,526
	3,813		1	Model Home-Plan 3	Interior/Exterior Upgrades	\$1,154,023	110%	\$1,269,425
DWELLINGS UNDER VERTICAL CONSTRUCTION								
Sheldon/Standard Pacific Corp.	1,860		4	Production Unit - Plan 1	First Floor Framing	\$656,900	55%	\$1,445,180
	2,171		4	Production Unit - Plan 2	First Floor Framing	\$726,900	55%	\$1,599,180
	2,122		4	Production Unit - Plan 3	First Floor Framing	\$711,900	55%	\$1,566,180
Huntley/Brookfield Residential	3,008		1	Production Unit - Plan 3	First Floor Framing	\$942,000	55%	\$518,100
							Estimated Value 25 Dwellings:	\$17,731,021

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VALUATION OF FINISHED LOTS

General Information

The District is a developed parcel with lots ranging from a blue-top lot condition to a finished lot condition. Final Tract Map No. 17057 is approved for development of 375 single family detached units. Four products are proposed that include a courtyard product and three traditional detached products on lots ranging from 2,400 square feet to 5,250 square feet. This section of the appraisal report will value the 350 lots without vertical construction as if in a finished lot condition. Deductions will be made for the costs to bring the land from its "As Is" condition to finished lots.

The actual sales price of a particular parcel is always considered the best indication of value, assuming the transaction is arm's length, current and meets the definition of Market Value. The sales are in various communities in the City of Irvine. Two of the sales in Irvine, Data Nos. 3 and 4, reflect numerous phased take-downs, which would indicate a higher price per lot than a larger purchase of an entire tract. A discussion of the market data will precede the valuation of the finished lots.

Due to the changing market conditions, the Static Residual Analysis is also used to estimate finished lot values. The proposed products of CFD No. 2014-1 are analyzed. The results of both the Direct Comparison Approach and the Static Residual Analysis are considered in estimating finished lot values for the 350 lots within CFD No. 2014-1.

Direct Sales Comparison Approach

The Direct Sales Comparison Approach is based upon the premise that, when a property is replaceable in the market, its value tends to be set by the purchase price necessary to acquire an equally desirable substitute property, assuming no costly delay is encountered in making the decision and the market is reasonably informed. In appraisal practice, this is known as the Principle of Substitution.

This approach is a method of analyzing the subject property by comparison of actual sales of similar properties, when available. These sales are evaluated by weighing both overall comparability and the relative importance of such variables as time, terms of

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sale, location of sale property, and lot characteristics. For the purpose of this report, the unit of comparison utilized is the price per lot for the residential land. Please refer to the following pages that summarizes the sales considered most similar to the subject lots.

We have surveyed residential sales in the central and south Orange County market area. We have reviewed and inspected all of the data items. The data includes the finished lot prices for merchant builder parcels. The comparable land sales have generally sold in a blue-top lot condition. Costs to bring the land from the condition at the time of sale to finished lot condition were made available by the sellers to analyze the data. Therefore, the analysis will conclude at an indication of the finished lot value for the subject lots.

Between the date of the land sales and the date of value, market conditions have improved. As discussed throughout this report, over the past 18± to 24± months, the residential market throughout California and specifically Orange County has experienced significant increases in sales activity and sales prices. As the demand for the dwelling units increases, and related home prices increase, the value of the land or lots increase.

Analysis

Financing

All of the comparable sales were all cash transactions or financing considered to be cash, therefore, no adjustments for financing were warranted.

Property Rights Conveyed

All of the comparables involved the transfer of the fee simple interest. The subject fee simple interest is appraised in this report, and therefore, no adjustment is warranted.

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Land Sales Summary								
Data No./ Project	Buyer/ Seller	Sale Date	Average Lot Sz	No. of Lots	Sales Price	Sale Price Per Lot	Finished Price/Lot	Land Condition at Time of Sale
No.1 NWC Portola Springs & Portola Parkway Portola Springs	Taylor Morrison Irvine Company	11/2013	4,000 6.6 U/Ac	51	\$28,895,000	\$527,353	\$559,083	Near finished lots
No.2 W/S Portola Springs, Tomato Springs Rd. Portola Springs	Ryland Homes Irvine Company	6/2013	Cluster Det. 10.9 U/Ac	92	\$29,295,000	\$318,424	\$355,809	Blue-top Lots interior loop streets complete
No.3 W/S Portola Springs, Tomato Springs Rd. Woodbury	Brookfield Homes Irvine Company	7/2013	3,785 5.3 U/Ac	60	\$41,400,000	\$690,000	\$714,000	Blue-top Lots 10 take-downs
No.4 NC Encore & Paragon Stonegate	Tri-Pointe Irvine Company	7/2013	4,000 6.6 U/Ac	61	\$36,787,270	\$603,070	\$641,533	Near finished lots 8 take-downs
No.5 Birchtrall Builder Area 870 Pavilion Park	Richmond American Homes Heritage Fields El Toro, LLC Tract 17474	5/2013	Det. Condo 10.9 U/Ac	88	\$33,665,322	\$382,560	\$430,914	Blue-top Lots 2,096 SF Avg. Home Size
No.6 Springhouse Builder Area 801 Pavilion Park	Taylor Morrison of California Heritage Fields El Toro, LLC Tract 17479	5/2013	Det. Condo 7.1 U/Ac	83	\$32,977,464	\$397,319	\$447,653	Blue-top Lots 2,330 SF Avg. Home Size
No.7 Roundtree Builder Area 810 Pavilion Park	Lennar Homes of California Heritage Fields El Toro, LLC Tract 17469	5/2013	Det. Condo 7.1 U/Ac	75	\$28,211,460	\$376,153	\$434,764	Blue-top Lots 2,264 SF Avg. Home Size
No.8 Beachwood Builder Area 803/804 Pavilion Park	Lennar Homes of California Heritage Fields El Toro, LLC Tract 17476/17477	5/2013	4,500 8.0 U/Ac	90	\$41,143,661	\$457,152	\$508,409	Blue-top Lots 2,312 SF Avg. Home Size
No.9 Whistler Builder Area 806 Pavilion Park	Lyon Whistler, LLC Heritage Fields El Toro, LLC Tract 17473	4/2013	4,200 5.3 U/Ac	83	\$36,172,162	\$435,809	\$491,796	Blue-top Lots 2,474 SF Avg. Home Size
No.10 Sagewood Builder Area 802/809 Pavilion Park	Shea Homes Limited Ptshp. Heritage Fields El Toro, LLC Tract 17478/17479	4/2013	4,800 5.2 U/Ac	103	\$46,096,474	\$447,539	\$506,586	Blue-top Lots 2,701 SF Avg. Home Size
No.11 Rosemist Builder Area 800 Pavilion Park	Lennar Homes of California Heritage Fields El Toro, LLC Tract 17364	5/2013	5,500 5.2 U/Ac	52	\$27,958,311	\$537,660	\$588,278	Blue-top Lots 3,143 SF Avg. Home Size
No.12 Hawthorn Builder Area 808 Irvine	Pulte Home Corporation Heritage Fields El Toro, LLC Tract 17471	4/2013	6,000 3.9 U/Ac	46	\$25,382,373	\$551,791	\$618,621	Blue-top Lots 3,026 SF Avg. Home Size
No.13 Harmony Builder Area 805 Pavilion Park	K. Hovnanian at Pavilion Park Heritage Fields El Toro, LLC Tract 17475	5/2013	6,000 5.2 U/Ac	45	\$25,915,149	\$575,892	\$643,560	Blue-top Lots 3,517 SF Avg. Home Size
No.14 Melrose Builder Area 807 Pavilion Park	Ryland Homes of California Heritage Fields El Toro, LLC Tract 17472	4/2013	6,000 4.6 U/Ac	61	\$40,143,355	\$658,088	\$712,284	Blue-top Lots 4,071 SF Avg. Home Size

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Time of Sale

Since the timeframe of the land sales, the residential market in the subject's area has continued to be strong. During the most recent recession, home prices were severely negatively impacted. During 2012, the market appeared to begin to stabilize. Since mid-2012, home sales have significantly increased, along with sales prices. Interviews with sales personnel indicated that their base pricing was being increased with each phase of development over the past 18± to 24± months. Sales that occurred in mid-2013 have been adjusted upward by 10%.

Conditions of Sale

Typically, adjustments for conditions of sale reflect the motivations of the buyer and the seller in the transfer of real property. The conditions of sale adjustment reflects the difference between the actual sales price of the comparable and its probable sales price if it were sold in an arms-length transaction with typical motivations. Some circumstances of comparable sales that will need adjustment include sales made under duress, eminent domain transactions and sales that were not arm's length. All of the transactions were reported to be arm's length in nature. Accordingly, no adjustment is indicated.

Location

The location adjustment is based on proximity to existing infrastructure, amenities and employment. The adjustments are based, in part, on the current prices of similar products at the comparable projects. The sales that are located in Irvine are considered superior and require a downward adjustment of 25%.

Entitlement/Map Status

All of the sales are entitled. No adjustment is required.

Tax Rate

The subject property is expected to have an average overall tax rate between 1.67% and 1.75% of base sales price. This rate is consistent with the sales in Irvine. No adjustment is required.

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Lot Size

The comparables and the subject properties have varying minimum lot sizes that range from a detached condominium lot of around 3,000 square feet to a detached lot of 5,250 square feet. No adjustment is required.

Condition of Lots

All of the data included information to estimate a finished lot price for each comparable. The estimated conclusions of value are for a finished lot condition, ready to issue building permits. Please refer to the following pages for the adjustment grid of the comparable land sales.

As previously discussed, the residential market started to stabilize at the beginning of 2012, after the lengthy downturn in the market over the previous six years. By mid-2012, the positive impact on the residential market started with increased sales that has continued to the present time. The impact of the sales activity and minimal supply to meet demand resulted in significant increases in sales prices during 2012 and 2013.

In a rapidly changing market the better indication of land value can be estimated by the Static Residual Analysis which reflects current dwelling sales prices and market conditions. The discussion of the Static Residual Analysis for the subject's currently proposed products follows the adjustment grid.

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Land Sales Adjustment Grid								
Data No./ Project	Sale Date	Average Lot Sz	No. of Lots	Finished Price/Lot	Time	Adjusted \$/DU	Location	Adjusted \$/DU
City of Irvine Communities								
No. 1 NWC Portola Springs & Portola Parkway Portola Springs	11/2013	4,000 6.6 U/Ac	51	\$559,083	10%	\$614,991	-25%	\$461,243
No. 2 W/S Portola Springs, Tomato Springs Rd. Portola Springs	6/2013	Cluster Det. 10.9 U/Ac	92	\$355,809	10%	\$391,390	-25%	\$293,542
No. 3 W/S Portola Springs, Tomato Springs Rd. Woodbury	7/2013	3,785 5.3 U/Ac	60	\$714,000	10%	\$785,400	-25%	\$589,050
No. 4 NC Encore & Paragon Stonegate	7/2013	4,000 6.6 U/Ac	61	\$641,533	10%	\$705,686	-25%	\$529,265
No. 5 Birchtrail Builder Area 870 Pavilion Park	5/2013	Det. Condo 10.9 U/Ac	88	\$430,914	10%	\$474,005	-25%	\$355,504
No. 6 Springhouse Builder Area 801 Pavilion Park	5/2013	Det. Condo 7.1 U/Ac	83	\$447,653	10%	\$482,418	-25%	\$369,314
No. 7 Roundtree Builder Area 810 Pavilion Park	5/2013	Det. Condo 7.1 U/Ac	75	\$434,764	10%	\$478,240	-25%	\$358,680
No. 8 Beachwood Builder Area 803/804 Pavilion Park	5/2013	4,500 6.0 U/Ac	90	\$508,409	10%	\$559,250	-25%	\$419,437
No. 9 Whisper Builder Area 808 Pavilion Park	4/2013	4,200 5.3 U/Ac	83	\$491,796	10%	\$540,976	-25%	\$405,732
No. 10 Sagewood Builder Area 802/809 Pavilion Park	4/2013	4,800 5.2 U/Ac	103	\$506,586	10%	\$557,245	-25%	\$417,933
No. 11 Rosemist Builder Area 800 Pavilion Park	5/2013	5,500 5.2 U/Ac	52	\$588,278	10%	\$647,106	-25%	\$485,329
No. 12 Hawthorn Builder Area 806 Pavilion Park	4/2013	6,000 3.9 U/Ac	46	\$618,621	10%	\$680,463	-25%	\$510,362
No. 13 Harmony Builder Area 805 Pavilion Park	5/2013	6,000 5.2 U/Ac	45	\$843,560	10%	\$707,916	-25%	\$530,937
No. 14 Metrose Builder Area 807 Pavilion Park	4/2013	6,000 4.6 U/Ac	61	\$712,284	10%	\$783,512	-25%	\$587,634

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Static Residual Analysis to Finished Lot Value

The purpose of this analysis is to estimate a value for the land assuming no direct construction has taken place. This method is particularly helpful when development for a subdivision represents the highest and best use and when competitive house sales are available. Reportedly, this analysis is by far the most commonly used by merchant builders when determining price for land.

This analysis is useful for projects that will have a typical holding period of one to two years which represents the typical holding period anticipated by merchant builders. The Static Residual Analysis best replicates the investor's analysis when determining what can be paid for the land based on proposed product. Purchase of the land is simply treated as one of the components necessary to build the houses to sell to the homeowner. When all the components of the end-product can be identified and reasonable estimates of costs and profit can be allocated, the Static Residual Analysis becomes the best indicator of value to a merchant builder for a specific product. Specific product information is available, which makes this analysis particularly meaningful.

The analysis uses an estimated average base sales price, less incentives, for a specific product, then deducts the various costs including direct and indirect costs of construction, marketing, taxes and overhead, as well as the required profit margin to attract an investor in light of the risks and uncertainties of the project and residential market. This analysis is most helpful when significant lot and or view premiums are not present. When negotiating land price, builders typically will consider the value of lot premiums when they are significant, but typically do not give the premiums full consideration. When a downturn in the market occurs or a slight stall in a sales program, premiums are typically the first to be negotiated away.

End-product Sales Prices

The analysis uses the average base sales price without lot premiums. For the proposed products we have used the average base sales price, and deducted an estimated \$15,000 to \$30,000 for incentives, for use in the analyses. Current incentives

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in the subject's market generally range from \$5,000 to \$10,000 with a \$10,000 to \$20,000 broker co-op expense.

Direct Development Costs

We have interviewed local builders in the Orange County market area for estimates of direct construction costs for similar products. The developer has provided direct construction cost estimates for the four proposed products. Based on our understanding of the proposed quality of construction, home size and functional utility, conservative estimates of direct construction costs are used in this analysis.

Indirect construction costs, such as insurance, architecture and engineering costs, and permits have been estimated at 2% of sales price, which is found to be an industry standard for use in this analysis.

General and Administrative

General and administrative costs are estimated at 5% of sales price. This category covers such expenses as administrative, professional fees, real estate taxes, HOA dues, and miscellaneous costs. This estimate is typical and consistent with the market.

Marketing and Warranty

Marketing and sales expenses plus warranty costs are estimated at 7% of sales price. This category covers such expenses as advertising and sales commissions and home warranties. This estimate is typical and consistent with the market for product in master planned communities.

Developer Profit

The line item for profit reflects the required margin to attract an investor in light of the risk and uncertainties of a specific product. This analysis assumes a finished lot and no on-site construction. Therefore, additional risk of development is unknown. In general, when merchant builder lots are purchased, building permits can be issued.

Based on surveys of builders, current profit requirements are typically between 8% and 12% of revenues. These profit estimates are for projects that can be

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constructed and sold out in a two-year period. Higher profits can be required for longer construction/sellout periods and riskier projects. Lower profits can be accepted in inexpensive land cost areas where homes sell quickly. Based on a review of the absorption estimates by Empire Economics for the subject products and competing subdivisions, a sales rate of 3+ to 4± units per month per product appears supportable.

The line item for profit is based on a typical holding period sought by merchant builders; that of 1 to 2 years. A 3± year holding time appears more likely for the sell out of the four products. The two smaller products are expected to sell out before the larger and more expensive products. Based on current market conditions and the outlook for the next 12 to 24 months, an 8% line item for profit is estimated for the Sheldon product proposed for 103 units and the Huntley product proposed for 77 units. A 10% line item for profit is estimated for the Crawford product with 99 units proposed and an 11% line item for profit is estimated for the Stafford product with the longest anticipated holding time.

Interest During Holding Period

A typical allowance for financing during the holding period has been between 5% and 7%. Based on recent interviews with builders in the subject market area, we have chosen a 6% deduction for financing during the holding period.

Site Costs

Because this analysis residuals to a finished lot condition, deductions for costs to bring to a finished lot condition are not required. Please refer to the following pages for copies of the Static Residual Analysis for each proposed product in the District.

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SHELDON Standard Pacific Corp. Estimated Finished Lot Value			
Plan No.	Size	Base Price	
1	1,860	\$656,900	
2	2,171	\$726,900	
3	2,122	\$711,900	
4	2,343	\$761,900	
Average	2,124	\$714,400	
Incentives		-\$15,000	
Net Base S/P		\$699,400	
Single Family Detached		Land	
Courtyard		<u>Ratios</u>	
103 Proposed Units			
Average Retail Value of Improvements		\$699,400	\$329.28 (Per sq. ft.)
Average Dwelling Size (Sq. Feet)	2,124		
Direct Building Cost Per Sq. Ft.	\$73.00	\$155,052	
Indirect Construction Costs	2.00%	\$13,988	
General & Administrative Costs	5.00%	\$34,970	
Marketing and Warranty Costs	7.00%	\$48,958	
Builder's Profit	8.00%	\$55,952	
Interest During Holding Period	6.00%	\$41,964	
Costs to bring to Finished Lot	<u>None</u>		
Finished Lot Value Estimate		\$348,516	
Rounded to:		<u>\$348,000</u>	
		Finished Lot	0.50

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HUNTLEY Brookfield Residential Estimated Finished Lot Value			
Plan No.	Size	Base Price	
1	2,597	\$865,000	
2	2,839	\$900,900	
3	3,008	\$942,000	
Average	2,815	\$902,633	
Incentives		-\$20,000	
Net Base S/P		\$882,633	
Single Family Detached		Land	
3,772 SF Minimum Lots		<u>Ratios</u>	
77 Proposed Units			
Average Retail Value of Improvements		\$882,633	\$313.58 (Per sq. ft.)
Average Dwelling Size (Sq. Feet)		2,815	
Direct Building Cost Per Sq. Ft.		\$73.00	\$205,471
Indirect Construction Costs		2.00%	\$17,653
General & Administrative Costs		5.00%	\$44,132
Marketing and Warranty Costs		7.00%	\$61,784
Builder's Profit		8.00%	\$70,611
Interest During Holding Period		6.00%	\$52,958
Costs to bring to Finished Lot		<u>None</u>	
Finished Lot Value Estimate		\$430,025	
Rounded to:		<u>\$430,000</u>	
		Finished Lot	0.49

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CRAWFORD Standard Pacific Corp. Estimated Finished Lot Value			
Plan No.	Size	Base Price	
1	3,012	\$981,900	
2	3,412	\$1,052,900	
3	3,612	\$1,094,900	
Average	3,345	\$1,043,233	
Incentives		-\$30,000	
Net Base S/P		\$1,013,233	
Single Family Detached			Land
5,000 SF Minimum Lots - alley loaded			Ratios
99 Proposed Units			
Average Retail Value of Improvements	\$1,013,233	\$302.88	
		(Per sq. ft.)	
Average Dwelling Size (Sq. Feet)	3,345		
Direct Building Cost Per Sq. Ft.	\$75.50	\$252,573	
Indirect Construction Costs	2.00%	\$20,265	
General & Administrative Costs	5.00%	\$50,662	
Marketing and Warranty Costs	7.00%	\$70,926	
Builder's Profit	10.00%	\$101,323	
Interest During Holding Period	6.00%	\$60,794	
Costs to bring to Finished Lot		None	
Finished Lot Value Estimate		\$456,691	
Rounded to:		\$456,000	
Finished Lot			0.45

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STAFFORD Standard Pacific Corp. Estimated Finished Lot Value			
Plan No.	Size	Base Price	
1	3,880	\$1,198,900	
2	3,700	\$1,121,387	
3	3,831	\$1,154,023	
Average	3,804	\$1,158,103	
Incentives		-\$30,000	
Net Base S/P		\$1,128,103	
Single Family Detached			Land
5,250 SF Minimum Lots			Ratios
96 Proposed Units			
Average Retail Value of Improvements	\$1,128,103	\$296.58	
		(Per sq. ft.)	
Average Dwelling Size (Sq. Feet)	3,804		
Direct Building Cost Per Sq. Ft.	\$75.50	\$287,177	
Indirect Construction Costs	2.00%	\$22,562	
General & Administrative Costs	5.00%	\$56,405	
Marketing and Warranty Costs	7.00%	\$78,967	
Builder's Profit	11.00%	\$124,091	
Interest During Holding Period	6.00%	\$67,686	
Costs to bring to Finished Lot		None	
Finished Lot Value Estimate		\$491,214	
Rounded to:		\$490,000	
Finished Lot			0.43

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Conclusion of Finished Lot Values

The following table summarizes the conclusions of finished lot values by the Direct Comparison Approach, the Static Residual Analysis and the concluded finished lot value. Due to the continued changes in the residential market, specific proposed product information available and limited current land sales, we have given more consideration to the results of the Static Residual Analysis.

Finished Lot Value Conclusions					
Product/Builder	Direct Comparison Approach	Minimum Lot Size	Static Residual Analysis	Finished Lot Ratio	Concluded Lot Value
Sheldon/Standard Pacific Homes	\$290,000-\$360,000	Courtyard 2,400 SF	\$348,000	50%	\$350,000
Huntley/Brookfield Residential	\$360,000-\$460,000	3,772 SF	\$430,000	49%	\$430,000
Crawford/Standard Pacific Homes	\$415,000-\$485,000	5,000 SF	\$456,000	45%	\$460,000
Stafford/Standard Pacific Homes	\$485,000-\$530,000	5,250 SF	\$490,000	43%	\$500,000

"As Is" Land Value

The District is a developed parcel with site condition ranging from a blue-top lot condition to a physically finished lot condition as of the date of value. The preceding section valued the four merchant builder parcels assuming a finished lot condition. To arrive at an estimate of value for the "as is" condition of the land, a deduction for the costs associated with development of the land from its current condition to a finished lot condition is required. A deduction of the costs to complete as of June 1, 2015 is made to arrive at an estimate of value for the 350 lots within the District without vertical construction. Site costs have been provided by the developer, Standard Pacific Corporation. The site improvement costs include all direct and indirect construction costs associated with improving the land to finished lots. This cost covers the public improvements that have been completed by the City of Tustin. None of the CFD bond proceeds are paid to the developer. Please refer to the following table which summarizes

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the finished lot values per product with the deductions for the associated cost of site development to arrive at an estimate of value for the "as is" condition of the land.

Estimated "As Is" Merchant Builder Land Value 350 Lots Without Vertical Construction

Product Name	No. Units	Finished Lot Value	Parcel Value
Sheldon Product	88	\$350,000	\$30,800,000
Huntley Product	73	\$430,000	\$31,390,000
Crawford Product	96	\$460,000	\$44,160,000
Stafford Product	93	\$500,000	<u>\$46,500,000</u>
Total Finished Lot Value - 350 Lots			\$152,850,000
Less:	Remaining Site Costs		<u>(\$28,680,000)</u>
		"As Is" Land Value- 350 Lots:	\$124,170,000
		Rounded:	\$124,200,000

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DEVELOPMENT ANALYSIS

Standard Pacific Corporation has provided a summary of the site costs for the remaining infrastructure improvements for the District. It is the appraisers understanding that the costs were prepared by their engineering consultants. The proceeds from the sale of bonds for CFD No. 2014-1 are estimated at \$15,000,000± which will be paid directly to the City of Tustin for infrastructure improvements. The total development costs to bring the land to finished lot condition are approximately \$68,680,000 which equates to approximately \$183,147 per dwelling unit. Of those costs, reportedly \$40,000,000± have been spent to date. Therefore, an additional \$28,600,000 of costs remain to be spent to bring the land from its "as is" condition as of June 1, 2015 to a finished site condition ready to issue building permits.

The Developmental Analysis for estimating value is based upon the premise that one would not pay more for land and improvements than its contributory value to the economic enterprise of developing the parcel into single-family homes. It essentially treats land as one of the raw materials required for developing a subdivision. If one is able to prepare a reasonably reliable forecast of the related prices of the end-product and identify all the costs and required profit margin, what is residual or left over is what is available to acquire the property.

In the case of the subject property, the residual value indicated by this discounted cash flow reflects the "as is" condition of the land under site construction. The steps in the Developmental Analysis are as follows:

1. Analyze the highest and best use and determine the land plan which will be utilized in the Developmental Analysis.
2. Estimate the sales price which can be anticipated for the proposed products in the District.
3. Estimate the absorption rate for the proposed products.
4. Estimate the direct and indirect costs, including marketing and G&A.
5. Estimate the required annual before-tax discount rate required to attract a developer in light of the risks and uncertainties.

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This Developmental Analysis considers the development of the land as currently proposed by Standard Pacific Corporation and Brookfield Residential. The analysis and estimated value conclusion also assumes the sale of bonds from CFD No. 2014-1, of which bond proceeds of approximately \$15,000,000± will be paid to the City of Tustin for public infrastructure improvements.

Proposed Product

Within the Highest and Best Use section of this report, market demand was discussed. The current proposed product for the subject's planned community is within the current demand range. The proposed unit mix has been provided by Standard Pacific Corp. and it appears reasonable.

Absorption

The discussions of absorption are included in the Highest and Best Use section of this report, and reflect a market-supported absorption for the subject property. The Empire Economics report indicates absorption of 2 to 4.5± dwelling units per product per month. This represents a 3± year absorption period. The discounted cash flow also assumes completion of site construction in a timely manner to meet market demand of the units.

Direct and Indirect Costs

Site Development Costs

As of the date of value, approximately \$28,680,000 remains to be spent for site construction to bring all of the land within the District to a finished lot condition. The proceeds from the sale of bonds for City of Tustin CFD No. 2014-1 are to be paid to the City of Tustin for infrastructure improvements and future school facilities. At the time of this appraisal report those proceeds are estimated around \$15,000,000±. The timeline for the site improvements is based on a review of the Cash Flow Projections for each product, provided by the developer, Standard Pacific Corporation.

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Dwelling Unit Costs

The subject property is proposed for four products ranging from courtyard homes with an average size of 2,124 square feet to traditional detached dwellings on a minimum lot size of 5,250 square feet and average home size of 3,804 square feet. The direct and indirect construction costs have been provided by the developer, Standard Pacific Corporation and appear reasonable and supportable by the market. The direct costs per square foot range from \$79.00 for the Sheldon and Huntley products to \$81.00 per square foot for the Crawford and Stafford products. Indirect costs are estimated at \$6.00 per square foot.

Marketing

Marketing and sales expenses are estimated at 7% of gross revenue. This category covers such expenses as advertising, sales commissions and warranty costs. These expenses are realized at the time of sale.

General and Administrative

General and administrative costs are estimated at 5%. This category covers such expenses as administrative, professional fees, taxes, HOA dues and miscellaneous costs. These expenses are realized at the time of sale.

Inflation Factor

For purposes of the discounted cash flow analysis, we have used constant dollars. We are of the opinion that in light of today's stabilizing market, a prudent investor would not inflate revenue in their discounted cash flow analysis.

Discount Rate

The final step in our discounted cash flow analysis is to estimate the appropriate discount rate in light of uncertainties and risks. There are various factors which go into selecting a discount rate for a planned community such as the subject. Typically, when valuing a property, we assume an all cash transaction and then discount for time, risk and required profit margin. A publication from the Real Estate Research Corporation indicates

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the rate of return for a land investment assuming a three-to-five year holding period is 20% of gross sales.

Interviews of land developers and merchant builders indicate the anticipated holding period for a master planner/developer is three-to-eight years. Land developers generally are looking for a 20% to 30% return on gross sales, with an average of 22% to 25%. This is based on raw land prior to infrastructure. At this same time frame, the merchant builder was looking for a profit as a percentage of gross revenues of 8% to 12%. The estimated holding period was one to two years for the merchant builder and land is typically purchased in blue-top lot or finished lot condition.

Estimating value by use of a discounted cash flow analysis requires various assumptions and judgment by the appraiser. It is the appraisers' function to reflect the motives of real estate investors. The cash flow model needs to reflect the actual state of the market as of a specific time.

One negative aspect of a discounted cash flow is that often this analysis requires absorption rates that have not been proven and revenues that are proposed but not tested. However, in the case of the subject property, we have the benefit of market response both in sales activity and pricing of similar development in the central and south Orange County areas. This discounted cash flow reflects the current price structure, in a stabilizing market. The projected holding period estimated for the developer/builder is 3± years.

The discounted cash flow reflects a three year absorption period for the District. To reflect market risks in both the model assumptions and the discount rate results in the property being penalized twice for the same risk. The model assumptions reflect current pricing. Additional risk in the model assumptions are possible negative economic factors in the future, increasing mortgage rates and a slower residential market, resulting in flat sales prices.

To build a discount rate, three components must be addressed: safe rate, risk rate and inflation rate. The safe rate is defined as that compensation paid to a lender or

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investor for the use of money. The risk rate is the compensation paid to the lender or investor to offset possible losses that occur when a borrower or investment fails to meet periodic payments or pay back borrowed funds. The inflation rate is defined as that compensation paid to the lender or investor to offset losses that may occur to the purchasing power of the payments received and the principal returned.

To estimate a discount rate appropriate for the subject property, we have begun with a safe rate that has averaged between 3% and 5% over time. During normal market conditions, improved real estate investments have had a risk rate between 1.25 and 2.5 times the safe rate, while vacant or subdivision land has had a risk rate between 3 and 5 times the safe rate. Inflation more recently has been minimal, while near term projections are around 3%. For the subject we have assumed a safe rate of 4%, a real estate risk rate of 3.5 times the safe rate and inflation of 3%, the indicated discount rate is: $(4\% \times 3.5) + 3\% = 17\%$.

Based on the good location of CFD No. 2014-1 with public infrastructure improvements complete, employment and retail developments nearby, we have concluded with a discount rate of 18% for the subject property. The site is entitled for the proposed uses and proposed product is within the market demand range. The site is under construction and the time-line for the sale of the merchant builder site and unit absorption are considered reasonable and supported. Please refer to the following page which illustrates the discounted cash flow analysis for the "as is" value of the taxable land within CFD No. 2014-1.

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CITY OF TUSTIN DEVELOPMENTAL ANALYSIS Standard Pacific Corp.

Product Description	Average Base Price/Dwelling	No. Dwellings	Jun-15	July-Dec 2015	Jan-June 2016	July-Dec 2016	Jan-June 2017	July-Dec 2017	Jan-June 2018	July-Dec 2018	Total
Sheldon Product	\$899,400	88	0	1	27	28	16	16	5.0	7.0	88
Huntley Product	\$862,833	23	0	8	22	12	12	8	0	0	23
Crawford Product	\$1,128,103	58	0	6	14	14	15	15	16	13	58
Stafford Product	\$1,128,103	93	0	6	14	14	15	15	16	13	93
Total Sold Dwelling Units		350	0	24	79	61	61	57	27	21	350
Unsold Dwelling Units Per Semi-Annual Period			350	326	247	166	105	48	21	0	
Revenue/Product											
Sheldon Product			\$0	\$699,400	\$18,883,800	\$19,583,200	\$11,190,400	\$11,190,400	\$0	\$0	\$61,547,200
Huntley Product			\$0	\$7,943,597	\$19,417,526	\$19,417,526	\$10,591,586	\$7,061,064	\$0	\$0	\$64,432,209
Crawford Product			\$0	\$8,105,864	\$16,211,728	\$17,224,961	\$18,238,194	\$18,238,194	\$11,145,563	\$6,105,864	\$97,270,888
Stafford Product			\$0	\$8,105,864	\$16,211,728	\$17,224,961	\$18,238,194	\$18,238,194	\$11,145,563	\$6,105,864	\$97,270,888
TOTAL REVENUE (Constant Dollars)			\$0	\$22,517,579	\$70,306,896	\$72,019,529	\$56,841,735	\$53,411,203	\$29,195,211	\$22,771,203	\$328,163,356
Infusion factor of 0% annually - Revenues			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Expenditures			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Direct & Indirect Dwelling Unit Costs - Sheldon Product			\$0	\$167,796	\$4,530,482	\$4,698,288	\$2,684,736	\$2,684,736	\$0	\$0	\$14,766,048
Direct & Indirect Dwelling Unit Costs - Huntley Product			\$0	\$2,001,465	\$4,892,470	\$4,892,470	\$2,666,620	\$1,776,080	\$0	\$0	\$16,234,105
Direct & Indirect Dwelling Unit Costs - Crawford Product			\$0	\$2,167,560	\$4,335,120	\$4,606,065	\$4,877,010	\$4,877,010	\$2,980,395	\$2,167,560	\$26,010,720
Direct & Indirect Dwelling Unit Costs - Stafford Product			\$0	\$1,646,124	\$3,313,156	\$4,313,156	\$4,821,980	\$4,821,980	\$4,005,612	\$2,167,560	\$26,010,720
Less G & A Costs @ 5%			\$0	\$23,000	\$0	\$0	\$0	\$0	\$0	\$0	\$23,000
Less Marketing Costs @ 7%			\$0	\$1,175,979	\$3,515,349	\$3,600,376	\$2,847,087	\$2,670,580	\$1,459,781	\$1,135,560	\$16,408,168
Plus CFD Reimbursements			\$0	\$1,646,231	\$4,921,483	\$5,041,367	\$3,865,921	\$3,738,784	\$2,043,665	\$1,593,984	\$22,971,135
Total Expenses			\$0	\$37,687,674	\$26,508,446	\$27,152,902	\$21,885,234	\$20,372,030	\$11,415,804	\$8,905,716	\$153,736,088
Net Before Discounting			\$0	(\$14,170,095)	\$43,798,450	\$44,866,627	\$35,256,501	\$33,038,173	\$17,781,407	\$13,865,487	\$174,437,348
Present Worth Factor at 18%			1,000,000	0.917431	0.641890	0.772183	0.709425	0.649931	0.586267	0.547034	
AS IS VALUE			\$0	(\$13,000,088)	\$36,884,111	\$34,645,268	\$24,976,594	\$21,473,195	\$10,602,472	\$7,584,886	\$123,146,449
Rounded To \$123,100,000											

CONSULTING REAL ESTATE APPRAISERS

HRA

Conclusion of Market Value for 350 Lots within CFD No. 2014-1

The Developmental Analysis indicates an "As Is" value estimate of \$123,100,000 for the 350 lots. The estimated value by Direct Comparison of merchant builder land sales and the Static Residual Analysis is \$124,200,000 for the 350 lots. The District is proposed for 375 detached single family dwellings with completion of site grading to a blue-top lot condition to a physically finished lot condition with 12 model homes and 13 dwellings in a first floor framing stage, the 25 dwellings are not included in the valuation of the land. It is our opinion that the results of the Development Analysis are the most reliable in valuing the property under site construction. Giving greatest emphasis to the discounted cash flow, the estimated "As Is" Market Value for the 350 lots in CFD No. 2014-1 is \$123,100,000.

Conclusion of Market Value for 375 Dwellings and Lots within CFD No. 2014-1

To arrive at a total value for the District in its current site and unit condition the additional value for the 12 completed and upgraded model homes and 13 dwelling under construction and in the beginning framing stage must be included. Please refer to the following calculations for the "As Is" Market Value estimate of CFD No. 2014-1.

Estimated Value for 350 lots under site construction:	\$123,100,000
Estimated Value for 12 completed model homes:	\$ 12,600,000
Estimated Value for 13 dwellings under construction:	<u>\$ 5,100,000</u>
Total Estimated Market Value for CFD No. 2014-1:	\$140,800,000

HRA

VALUATION CONCLUSION

Based on the investigation and analyses undertaken, our experience as real estate appraisers, and subject to all the premises, assumptions and limiting conditions set forth in this report, the following opinion of Market Value has been formed as of June 1, 2015.

CFD NO. 2014-1

ONE HUNDRED FORTY MILLION EIGHT HUNDRED THOUSAND DOLLARS

\$140,800,000

Exposure Time

Considering the size, location and site condition of the subject property, we have estimated an exposure time of approximately 9± to 12± months would have been required to sell the property.

HRA

CERTIFICATION

We hereby certify that during the completion of this assignment, we personally inspected the property that is the subject of this appraisal and that, except as specifically noted:

We have no present or contemplated future interest in the real estate or personal interest or bias with respect to the subject matter or the parties involved in this appraisal.

We have provided appraisal services regarding the subject property within the last three years to our client, the City of Tustin.

To the best of our knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results. The compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

As of the date of this report, James B. Harris has completed the requirements of the continuing education program of the Appraisal Institute.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.


No one provided significant real property appraisal assistance to the persons signing this certificate.

HRA

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. In furtherance of the aims of the Appraisal Institute to develop higher standards of professional performance by its Members, we may be required to submit to authorized committees of the Appraisal Institute copies of this appraisal and any subsequent changes or modifications thereof.

Respectfully submitted,


Berri Cannon Harris
Principal
AG009147


James B. Harris, MAI
Principal
AG001846

HRA

ADDENDA

QUALIFICATIONS

HARRIS REALTY APPRAISAL
5100 Birch Street, Suite 200
Newport Beach, CA 92660
(949) 851-1227

CONSULTING REAL ESTATE APPRAISERS

**QUALIFICATIONS
OF
JAMES B. HARRIS, MAI**

PROFESSIONAL BACKGROUND

Actively engaged as a real estate analyst and consulting appraiser since 1971. Principal of **Harris Realty Appraisal**, with offices at:

5100 Birch Street, Suite 200
Newport Beach, California 92660

Before forming Harris Realty Appraisal, in 1982, was employed with Real Estate Analysts of Newport, Inc. (REAN) as a Principal and Vice President. Prior to employment with REAN was employed with the Bank of America as the Assistant Urban Appraisal Supervisor. Previously, was employed by the Verne Cox Company as a real estate appraiser.

PROFESSIONAL ORGANIZATIONS

Member of the Appraisal Institute, with MAI designation No. 6508
Director, Southern California Chapter – 1998, 1999
Chair, Orange County Branch, Southern California Chapter -1997
Vice-Chair, Orange County Branch, Southern California Chapter - 1996
Member, Region VII Regional Governing Committee - 1991 to 1995, 1997, 1998
Member, Southern California Chapter Executive Committee - 1990, 1997 to 1999
Chairman, Southern California Chapter Seminar Committee - 1991
Chairman, Southern California Chapter Workshop Committee - 1990
Member, Southern California Chapter Admissions Committee - 1983 to 1989
Member, Regional Standards of Professional Practice Committee -1985 - 1997

Member of the International Right-of-Way Association, Orange County Chapter 67.

California State Certified Appraiser, Number AG001846

EDUCATIONAL ACTIVITIES

B.S., California State Polytechnic University, Pomona

Successfully completed the following courses sponsored by the Appraisal Institute and the Right-of-Way Association:

Course I-A	Principles of Real Estate Appraisal
Course I-B	Capitalization Theory
Course II	Urban Properties
Course IV	Litigation Valuation
Course VI	Investment Analysis
Course VIII	Single-Family Residential Appraisal
Course SPP	Standards of Professional Practice
Course 401	Appraisal of Partial Acquisitions

Has attended numerous seminars sponsored by the Appraisal Institute and the International Right-of-Way Association.

TEACHING AND LECTURING ACTIVITIES

Seminars and lectures presented to the Appraisal Institute, the University of California-Irvine, UCLA, California Debt and Investment Advisory Commission, Stone & Youngberg and the National Federation of Municipal Analysts.

MISCELLANEOUS

Member of the Advisory Panel to the California Debt and Investment Advisory Commission, regarding Appraisal Standards for Land Secured Financing (March 2003 through June 2004)

LEGAL EXPERIENCE

Testified as an expert witness in the Superior Court of the County of Los Angeles and the County of San Bernardino and in the Federal Bankruptcy Courts five times concerning the issues of Eminent Domain, Bankruptcy, and Specific Performance. He has been deposed numerous times concerning these and other issues. This legal experience has been for both Plaintiff and Respondent clients. He has prepared numerous appraisals for submission to the IRS, without having values overturned. He has worked closely with numerous Bond Counsel in the completion of 175 Land Secured Municipal Bond Financing appraisals over the last five years.

SCOPE OF EXPERIENCE

Feasibility and Consultive Studies

Feasibility and market analyses, including the use of computer-based economic models for both land developments and investment properties such as shopping centers, industrial parks, mobile home parks, condominium projects, hotels, and residential projects.

Appraisal Projects

Has completed all types of appraisal assignments from San Diego to San Francisco, California. Also has completed out-of-state appraisal assignments in Arizona, Florida, Georgia, Hawaii, Nevada, New Jersey, Oklahoma, Oregon, and Washington.

Residential

Residential subdivisions, condominiums, planned unit developments, mobile home parks, apartment houses, and single-family residences.

Commercial

Office buildings, hotels, motels, retail store buildings, restaurants, power shopping centers, neighborhood shopping centers, and convenience shopping centers.

Industrial

Multi-tenant industrial parks, warehouses, manufacturing plants, and research and development facilities.

Vacant Land

Community Facilities Districts, Assessment Districts, master planned communities, residential, commercial and industrial sites; full and partial takings for public acquisitions.

**QUALIFICATIONS
OF
BERRI CANNON HARRIS**

PROFESSIONAL BACKGROUND

Actively engaged as a real estate appraiser since 1982. Principal of *Harris Realty Appraisal*, with offices at:

5100 Birch Street, Suite 200
Newport Beach, California 92660

Before joining Harris Realty Appraisal was employed with Interstate Appraisal Corporation as Assistant Vice President. Prior to employment with Interstate Appraisal was employed with Real Estate Analysts of Newport Beach as a Research Assistant.

PROFESSIONAL ORGANIZATIONS

Appraisal Institute
Co-Chair, Southern California Chapter Hospitality Committee - 1994 - 1998
Chair, Southern California Chapter Research Committee - 1992, 1993

Commercial Real Estate Women, Orange County Chapter
Chair, Special Events – 1998, 1999, 2000, 2001, 2002, 2003
Second Vice-President - 1996, 1997
Treasurer - 1993, 1994, 1995
Chair, Network Luncheon Committee - 1991, 1992

California State Certified Appraiser, Number AG009147

EDUCATIONAL ACTIVITIES

B.S., University of Redlands, Redlands, California

Successfully completed the following courses sponsored by the Appraisal Institute:

Principles of Real Estate Appraisal
Basic Valuation Procedures
Capitalization Theory and Techniques - A
Capitalization Theory and Techniques - B
Report Writing and Valuation Analyses
Standards of Professional Practice
Case Studies in Real Estate Valuation

Has attended numerous seminars sponsored by the Appraisal Institute. Has also attended real estate related courses through University of California-Irvine.

LECTURING ACTIVITIES

Seminars and lectures presented to UCLA, California Debt and Investment Advisory Commission, and Stone & Youngberg.

MISCELLANEOUS

Member of the Advisory Panel to the California Debt and Investment Advisory Commission, regarding Appraisal Standards for Land Secured Financing (March 2003 through June 2004)

SCOPE OF EXPERIENCE

Appraisal Projects

Has completed all types of appraisal assignments from San Diego to San Francisco, California. Also has completed out-of-state appraisal assignments in Arizona and Hawaii.

Residential

Residential subdivisions, condominiums, planned unit developments, mobile home parks, apartment houses, and single-family residences.

Commercial

Office buildings, retail store buildings, restaurants, neighborhood-shopping centers, strip retail centers.

Industrial

Multi-tenant industrial parks, warehouses, manufacturing plants, and research and development facilities.

Vacant Land

Residential sites, commercial sites, industrial sites, large multi-unit housing, master planned unit developments, and agricultural acreage. Specializing in Community Facilities District and Assessment District appraisal assignments.

PARTIAL LIST OF CLIENTS

Lending Institutions

Bank of America	NationsBank
Bank One	Preferred Bank
Commerce Bank	Santa Monica Bank
Downey S&L Assoc.	Tokai Bank
Fremont Investment and Loan	Union Bank
Institutional Housing Partners	Wells Fargo Bank

Public Agencies

Army Corps of Engineers	City of Palm Springs
California State University	City of Perris
Caltrans	City of Rialto
City of Adelanto	City of Riverside
City of Aliso Viejo	City of San Marcos
City of Beaumont	City of Tustin
City of Camarillo	City of Victorville
City of Corona	City of Yucaipa
City of Costa Mesa	County of Hawaii
City of Encinitas	County of Orange
City of Fontana	County of Riverside
City of Fullerton	County of San Bernardino
City of Hesperiai	Eastern Municipal Water District
City of Honolulu	Orange County Sheriff's Department
City of Huntington Beach	Ramona Municipal Water District
City of Indian Wells	Rancho Santa Fe Comm. Services District
City of Indio	Capistrano Unified School District
City of Irvine	Hemet Unified School District
City of Lake Elsinore	Hesperia Unified School District
City of Loma Linda	Romoland School District
City of Los Angeles	Saddleback Valley Unified School District
City of Moreno Valley	Santa Ana Unified School District
City of Newport Beach	Sulphur Springs School District
City of Oceanside	Val Verde Unified School District
City of Ontario	Yucaipa-Calimesa Joint Unified School Dist.

Law Firms

Arter & Hadden	McClintock, Weston, Benshoof,
Bronson, Bronson & McKinnon	Rocheftort & MacCulsh
Bryan, Cave, McPheeters & McRoberts	Palmiri, Tyler, Wiener, Wilhelm, & Waldron
Richard Clements	Sonnenschein Nath & Rosenthal
Cox, Castle, Nicholson	Strauss & Troy
Gibson, Dunn & Crutcher	Wyman, Bautzer, Rothman, Kuchel &
Hill, Farrer & Burrill	Silbert

SUMMARY OF SITE DEVELOPMENT COSTS

	Original Budget	.....Qtrly Budget as of February	Budget Chg Budget as of May	----- Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid March	Paid April	Paid May	Paid ITD	Over/Under
11619000 Tustin Legacy												
1354 SE Preliminary Investig.												
23101035 SE Preliminary Investig.	0	1,425	1,425	0	1,425	0	0	0	0	0	1,425	0
23050515 SP Well Abandonment	125,000	15,000	15,000	0	15,000	0	15,000	0	0	0	0	0
23051010 SP Light Clearing	112,500	11,850	11,850	0	11,850	0	0	0	0	0	11,850	0
23051505 SP Tree Removals	0	1,472	1,472	0	1,472	0	1,472	0	0	0	0	0
23051515 SP ADP Removals	0	21,000	21,000	0	21,000	0	0	0	0	0	21,000	0
23051555 SP Irrigation Ditch Rem	58,750	14,000	14,000	0	14,000	0	0	0	0	0	14,000	0
23052005 SP Plan 1 Membrane	0	88,040	88,040	0	88,040	0	0	58,040	0	0	88,040	0
23100505 RG Mobilization	25,000	41,400	41,400	0	41,400	0	0	0	0	0	41,400	0
23101005 RG Dev Const Water	78,000	83,682	83,682	0	83,682	0	0	0	0	0	83,682	0
23102060 RG Erosion Control	0	7,000	7,000	0	7,000	0	0	3,500	0	0	7,000	0
23102065 RG Dust Control	0	2,208	2,208	0	2,208	0	2,208	0	0	0	0	0
23102530 RG Mass Excavation	86,565	676,267	676,267	0	676,267	0	0	0	0	0	676,267	0
23102545 RG Over Excavation	1,224,309	0	0	0	0	0	0	0	0	0	0	0
23102575 RG Dewatering	0	22,100	22,100	0	22,100	0	0	9,500	0	12,600	22,100	0
23102585 RG Join Existing Grading	82,450	0	0	0	0	0	0	0	0	0	0	0
23103535 RG French Drain	0	51,810	51,810	0	51,810	0	0	31,515	0	0	51,810	0
23103540 RG Outlet Pipe	0	6,800	6,800	0	6,800	0	0	0	0	0	6,800	0
23104545 RG Down Drain Pipe Tras	0	6,600	6,600	0	6,600	0	0	3,850	0	0	6,600	0
23104565 RG 3" Lof Wall V Ditch	80,600	5,000	5,000	0	5,000	0	0	0	0	0	5,000	0
23105005 RG Rip Rap Pads	0	18,070	18,070	0	18,070	0	0	12,870	0	0	18,070	0
23105025 RG Pad Finish	0	349,687	349,687	0	349,687	0	1	96,028	0	0	349,686	0
23105510 RG Slope	0	2,587	2,587	0	2,587	0	2,587	0	0	0	0	0
23105515 RG Slope/Street Finish	509,652	162,746	162,747	1	162,747	0	2	33,002	0	0	162,745	0
23105545 RG Berm	0	4,800	4,800	0	4,800	0	0	4,800	0	0	4,800	0
23106505 RG 12" PVC Sch 40	94,000	34,944	34,944	0	34,944	0	0	27,024	0	0	34,944	0
23106520 RG 6" PVC Sch 40	0	36,520	36,520	0	36,520	0	0	36,520	0	0	36,520	0
23107510 RG Rough Grade Import	270,000	108,264	108,264	0	108,263	1	0	0	0	0	108,263	0
23108015 RG AB Access Road	0	27,059	27,059	0	27,059	0	1,591	0	0	0	25,468	0
23108040 RG Excavation Surcharge	1,040,000	663,594	663,594	0	663,594	0	0	17,048	0	0	663,594	0
23108099 RG Other	297,145	1,017,442	318,560	698,882	34,491	284,069	14,491	0	0	0	20,000	1
23150005 RFP Rough	0	1,046	1,046	0	1,046	0	1,046	0	0	0	0	0
23200020 EX Export Debris	0	434	434	0	434	0	0	0	0	0	434	0
23200022 EX Conc.Washout Export	0	5,000	5,000	0	2,500	2,500	1,500	1,000	0	0	1,000	0
23200500 EX Street Grade Export	27,013	27,013	32,563	5,550	32,563	0	30,723	0	1,840	0	1,840	0
23200505 EX Parkway Export	0	0	18,233	18,233	18,233	0	18,233	0	0	0	0	0
23250505 RMG Reprocess Pads	0	0	736	736	736	0	736	0	0	0	0	0
23250509 RMG Regrade Slope	0	368	368	0	368	0	368	0	0	0	0	0
23250511 RMG Regrade Pads	0	0	8,594	8,594	8,594	0	8,594	0	0	0	0	0
23250515 RMG Dam Pads	0	0	5,860	5,860	5,860	0	5,860	0	0	0	0	0
23251005 RMG Knock Down Piles	0	0	2,160	2,160	2,160	0	0	0	0	2,160	2,160	0
23251099 RMG Other	0	2,438	91,238	88,800	91,238	0	90,898	0	0	340	340	0
23300005 EC Sandbags	0	6,445	7,746	1,301	7,746	0	1,905	0	0	0	5,841	0
23300010 EC Sandbag Placement Rem	0	380	380	0	380	0	0	0	0	0	380	0
23300015 EC Silt Fence	0	14,365	14,365	0	14,365	0	0	0	0	0	14,365	0
23300020 EC Snow Fence	0	825	825	0	825	0	0	0	0	0	825	0
23300035 EC Polymer	0	22,559	22,559	0	22,559	0	0	0	0	0	22,559	0
23300050 EC Straw Wattles	0	0	296	296	296	0	296	0	0	0	0	0
23300090 EC Erosion Storm Damage	0	13,132	23,890	10,758	23,890	0	23,890	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of February	Budget Chg Budget as of May	----- Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid March	Paid April	Paid May	Paid ITD	Over/Under
23300090 EC Erosion Control	172,062	111,729	92,812	18,917	605	92,207	0	0	0	0	605	0
23300135 EC Labor	0	8,532	9,508	976	9,508	0	3,888	1,664	1,728	0	5,620	0
23300155 EC Truck Use	0	1,212	1,212	0	1,212	0	0	0	0	0	1,212	0
23300160 EC Gravel Pad-Entry	5,000	5,000	5,000	0	0	5,000	0	0	0	0	0	0
23300175 EC Const.Wash Out Pit	31,632	26,632	26,632	0	1,200	25,432	800	0	0	0	400	0
23320005 OS Muck Out	0	0	460	460	460	0	460	0	0	0	0	0
24050525 SW Join Existing Stub	3,600	3,600	11,700	8,100	11,700	0	0	1,300	10,400	0	11,700	0
24051005 SW 12" VCP Main	0	0	14,040	14,040	14,040	0	0	8,320	5,720	0	14,040	0
24051055 OFFSITE ALLOCATE IN	0	0	28,245	28,245	28,245	0	0	26,685	1,560	0	28,245	0
24051510 SW 10" PVC Main	115,200	115,200	181,858	66,658	181,858	0	0	48,000	133,858	0	181,858	0
24051520 SW 8" PVC Main	358,670	358,670	233,900	124,770	233,900	0	6,804	26,600	134,292	66,204	227,096	0
24053005 SW 6" PVC Lat	630	630	0	630	0	0	0	0	0	0	0	0
24053010 SW 4" PVC Lat	154,280	154,280	295,840	101,560	295,840	0	63,896	0	125,484	66,460	191,344	0
24054020 SW 48" Manhole	185,000	185,000	284,800	99,800	284,800	0	71,800	79,800	95,800	37,400	213,000	0
24054055 SW Raise Base MH to Grade	0	0	2,970	2,970	2,970	0	0	0	0	0	0	0
24054510 SW Raise Cap MH to Grade	9,450	9,450	43,700	34,250	43,700	0	43,700	0	0	0	0	0
24054514 SW Raise Cap CO to Grade	0	0	12,750	12,750	12,750	0	12,750	0	0	0	0	0
24054520 SW End Of Line Cleanout	0	0	10,500	10,500	10,500	0	0	4,875	5,625	0	10,500	0
24054530 SW Plug	0	900	900	0	900	0	0	0	0	0	900	0
24054555 SW Teleview Lines	1,500	1,500	0	1,500	0	0	0	0	0	0	0	0
24054560 SW Concrete Encasement	0	0	4,465	4,465	4,465	0	4,465	0	0	0	0	0
24054599 SW Other	0	79,567	189,278	109,711	142,050	47,228	51,042	89,278	0	1,730	91,098	0
24100505 SD Join & Backfill	3,000	3,000	4,800	1,800	4,800	0	4,800	0	0	0	0	0
24100570 SD Brick & Mortar Plug	10,150	10,150	9,900	250	9,900	0	2,100	0	7,800	0	7,800	0
24100575 SD Remove Plug & Join	0	0	6,000	6,000	6,000	0	0	0	6,000	0	6,000	0
24101005 SD 18" RCP	180,318	180,318	0	180,318	0	0	0	0	0	0	0	0
24101010 SD 24" RCP	256,891	256,891	0	256,891	0	0	0	0	0	0	0	0
24101015 SD 30" RCP	136,360	136,360	0	136,360	0	0	0	0	0	0	0	0
24101020 SD 36" RCP	218,520	218,520	0	218,520	0	0	0	0	0	0	0	0
24101025 SD 42" RCP	66,430	66,430	0	66,430	0	0	0	0	0	0	0	0
24101030 SD 48" RCP	198,090	198,090	285,525	87,435	285,525	0	0	114,200	171,325	0	285,525	0
24101045 SD 60" RCP	146,115	146,115	236,080	89,965	236,080	0	0	0	236,080	0	236,080	0
24102205 SD 12" HDPE	0	0	50,098	50,098	50,098	0	10,448	0	0	39,650	39,650	0
24102210 SD 18" HDPE	0	0	159,384	159,384	159,384	0	0	29,640	99,504	30,240	159,384	0
24102215 SD 24" HDPE	0	0	230,604	230,604	230,604	0	0	27,001	169,268	34,335	230,604	0
24102217 SD 30" HDPE	0	0	248,354	248,354	248,354	0	0	17,958	214,034	16,362	248,354	0
24102220 SD 36" HDPE	0	0	107,100	107,100	107,100	0	0	32,100	75,000	0	107,100	0
24102230 SD 42" HDPE	0	0	122,902	122,902	122,902	0	0	30,916	91,546	440	122,902	0
24102505 SD Concrete Collar	0	0	4,770	4,770	4,770	0	1,350	0	3,420	0	3,420	0
24103005 SD Manhole Type I	191,400	191,400	0	191,400	0	0	0	0	0	0	0	0
24103010 SD Manhole Type II	4,400	4,400	0	4,400	0	0	0	0	0	0	0	0
24103505 SD 3.5' Catch Basin	0	0	110,100	110,100	110,100	0	48,900	0	46,800	14,400	61,200	0
24103515 SD 7' Catch Basin	535,800	535,800	350,600	185,200	350,600	0	9,200	32,200	129,300	179,900	341,400	0
24103520 SD 10' Catch Basin	0	0	21,600	21,600	21,600	0	0	0	0	21,600	21,600	0
24103582 SD Drain Pvc Maintenance	49,200	49,200	49,200	49,200	49,200	0	0	0	0	0	0	0
24103598 SD CDS Filter	600,840	600,840	912,000	311,160	912,000	0	46,500	0	456,500	409,000	865,500	0
24104020 SD Concrete Inlet	0	0	0	0	0	0	0	0	0	0	0	0
24104065 SD 3-1 Inlet 6"	0	0	9,750	9,750	9,750	0	9,750	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of February	Budget Chg Budget as of May	..... Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid March	Paid April	Paid May	Paid ITD	Over/Under
24104505 SD JS I	0	0	212,900	212,900	212,900	0	2,000	0	96,200	114,700	210,900	0
24104510 SD JS II	0	0	132,300	132,300	132,300	0	0	0	128,100	4,200	132,300	0
24104515 SD JS III	0	0	42,500	42,500	42,500	0	0	0	42,500	0	42,500	0
24104520 SD JS IV	1,200	1,200	9,520	8,320	9,520	0	1,360	0	8,160	0	8,160	0
24104530 SD JS VI	0	0	13,200	13,200	13,200	0	0	0	2,400	10,800	13,200	0
24106005 SD 4" PVC SDR 35	0	0	18,044	18,044	18,044	0	4,114	0	0	13,930	13,930	0
24106010 SD 6" PVC SDR 35	0	0	24,544	24,544	24,544	0	24,544	0	0	0	0	0
24106025 SD 12" PVC SDR 35	0	0	121,017	121,017	121,017	0	121,017	0	0	0	0	0
24107040 SD Box Culverts	0	0	44,565	44,565	44,565	0	29,025	0	15,540	0	15,540	0
24107510 SD Raise Cap MH to Grade	9,450	9,450	37,050	27,600	37,050	0	37,050	0	0	0	0	0
24107599 SD Other	65,928	656,945	237,568	419,377	249,435	10,867	91,181	52,815	0	18,609	157,254	10,868
24200516 DW Remove Plug & Join	8,800	8,800	0	8,800	0	0	0	0	0	0	0	0
24200545 DW Join Exist Stub	0	0	6,000	6,000	6,000	0	0	0	0	6,000	6,000	0
24203110 DW 6" PVC	0	0	26,713	26,713	26,713	0	0	17,280	0	9,423	26,713	0
24203115 DW 8" PVC	444,541	444,541	444,928	387	444,928	0	0	17,080	386,592	41,256	444,928	0
24203510 DW 6" Gate Valve	0	0	27,300	27,300	27,300	0	0	0	19,500	7,800	27,300	0
24203515 DW 8" Gate Valve	206,425	206,425	119,000	87,425	119,000	0	0	0	94,180	24,820	119,000	0
24204005 DW Fire Hydrant Assy	126,000	126,000	144,480	18,480	144,480	0	0	0	104,200	40,280	144,480	0
24204511 DW Fittings/Thrust Blocks	30,658	30,658	0	30,658	0	0	0	0	0	0	0	0
24204523 DW 2" Blowoff	2,100	2,100	0	2,100	0	0	0	0	0	0	0	0
24204530 DW 1" Air Vac Incl Cove	0	0	2,400	2,400	0	0	0	0	0	2,400	2,400	0
24204560 DW Plug	0	900	900	0	900	0	900	0	0	0	0	0
24204565 DW Air Relief Valve	0	0	49,350	49,350	49,350	0	0	0	8,750	40,600	49,350	0
24205005 DW 1.0" Water Service	212,800	274,400	151,700	122,700	151,700	0	32,675	0	83,325	35,700	119,025	0
24205015 DW 2.0" Water Service	0	0	1,700	1,700	1,700	0	1,700	0	0	0	0	0
24205045 DW 2.0" Irr Service	1,750	1,750	0	1,750	0	0	0	0	0	0	0	0
24205055 DW 4.0" Irr Service	9,000	9,000	0	9,000	0	0	0	0	0	0	0	0
24205505 DW 1" Set/Rock M&B/Hook	66,500	66,500	0	66,500	0	0	0	0	0	0	0	0
24205506 DW 2" Set/Rock M&B/Hook	450	450	0	450	0	0	0	0	0	0	0	0
24205515 DW Cap Raise Valve Grade	28,750	28,750	54,400	25,650	54,400	0	54,400	0	0	0	0	0
24205599 DW Other	0	59,711	100,000	40,289	5,370	94,630	5,370	0	0	0	0	0
24250505 RM Join & Backfill	2,500	2,600	0	2,600	0	0	0	0	0	0	0	0
24251505 RM 4" PVC	0	0	139,936	139,936	139,936	0	5,544	0	99,448	34,944	134,392	0
24251605 RM 4" PVC C-900 CL 200	125,495	125,495	0	125,495	0	0	0	0	0	0	0	0
24252505 RM 4" Gate Valve	21,600	21,600	18,000	3,600	18,000	0	0	0	6,000	12,000	18,000	0
24253020 RM Fittings & Thrust Blck	13,210	13,210	0	13,210	0	0	0	0	0	0	0	0
24253515 RM 2.0" Irrigation Serv	12,960	12,960	30,100	17,150	30,100	0	0	0	30,100	0	30,100	0
24254004 RM Raise Valve Cap Pav	6,750	6,750	0	6,750	0	0	0	0	0	0	0	0
24254055 RM End of Line Blow Off	0	0	18,200	18,200	18,200	0	0	0	8,900	9,300	18,200	0
24254065 RM 12" x 2" Air Vac Assy	0	0	5,400	5,400	5,400	0	0	0	0	5,400	5,400	0
24300515 CW Const Demand Charge	900	900	3,075	2,175	3,075	0	0	0	0	0	3,075	0
24300520 CW Irr Demand Charge	3,450	3,450	0	3,450	0	0	0	0	0	0	0	0
24300535 CW Invasion Line	0	70,350	70,350	0	70,350	0	0	7,300	0	0	70,350	0
24351005 XMU Additional Move In	578,736	578,736	0	578,736	0	0	0	0	0	0	0	0
24351035 XMU Overtime Saver	0	36,038	114,413	78,375	41,596	72,817	27,153	6,039	0	8,375	14,413	0
24351505 XMU Overtime Storm Dr	0	1,545	105,528	103,983	53,475	52,053	50,515	1,505	0	1,455	2,960	0
24351545 XMU SD Add'l Move In	482,280	484,317	0	484,317	0	0	0	0	0	0	0	0
24352015 XMU Overtime Water	0	0	103,209	103,209	19,165	84,044	15,956	0	0	3,209	3,209	0

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25050505 UC WD 1 Crossings	0	243,034	330,276	87,242	330,276	0	330,276	0	0	0	0	0
25051005 UC WD 1 Main & Stub	185,430	557,946	522,279	35,667	522,279	0	522,279	0	0	0	0	0
25051010 UC WD 2 Main & Stub	0	0	104,020	104,020	104,020	0	104,020	0	0	0	0	0
25051015 UC WD 3 Main & Stub	0	0	123,546	123,546	123,546	0	123,546	0	0	0	0	0
25051020 UC WD 4 Main & Stub	0	0	82,152	82,152	82,152	0	82,152	0	0	0	0	0
25051025 UC WD 5 Main & Stub	0	0	39,870	39,870	39,870	0	39,870	0	0	0	0	0
25051030 UC WD 6 Main & Stub	0	0	33,584	33,584	33,584	0	33,584	0	0	0	0	0
25051035 UC WD 7 Main & Stub	0	0	30,080	30,080	30,080	0	30,080	0	0	0	0	0
25051040 UC WD 8 Main & Stub	0	0	64,957	64,957	64,957	0	64,957	0	0	0	0	0
25051045 UC WD 9 Main & Stub	0	0	54,811	54,811	54,811	0	54,811	0	0	0	0	0
25051050 UC WD 10 Main & Stub	0	0	33,208	33,208	33,208	0	33,208	0	0	0	0	0
25051505 UC WD 1 Service	25,000	25,000	50,400	25,400	50,400	0	50,400	0	0	0	0	0
25051510 UC WD 2 Service	0	0	16,100	16,100	16,100	0	16,100	0	0	0	0	0
25051515 UC WD 3 Service	0	0	47,600	47,600	47,600	0	47,600	0	0	0	0	0
25051520 UC WD 4 Service	0	0	14,000	14,000	14,000	0	14,000	0	0	0	0	0
25051525 UC WD 5 Service	0	0	9,800	9,800	9,800	0	9,800	0	0	0	0	0
25051530 UC WD 6 Service	0	0	14,000	14,000	14,000	0	14,000	0	0	0	0	0
25051535 UC WD 7 Service	0	0	13,300	13,300	13,300	0	13,300	0	0	0	0	0
25051545 UC WD 9 Service	0	0	22,400	22,400	22,400	0	22,400	0	0	0	0	0
25051550 UC WD 10 Service	0	0	21,000	21,000	21,000	0	21,000	0	0	0	0	0
25100505 EL Trenching Tax	32,330	173,240	173,240	0	173,240	0	173,240	0	0	0	0	0
25100520 EL Electric Deposits	0	243,650	243,650	0	243,650	0	243,650	0	0	0	0	0
25100525 EL Refundable Advance	0	972,090	972,090	0	445,268	526,822	0	0	0	445,268	445,268	0
25100530 EL Utility Tax Liability	4,310	24,970	24,970	0	24,970	0	0	0	0	0	0	0
25100550 EL Street Light	336,440	652,260	652,260	0	344,856	307,404	0	0	0	344,856	344,856	0
25100555 EL Non Refundable Const	206,493	206,493	206,493	0	320,689	114,196	0	0	0	320,689	320,689	114,196
25100560 EL Electric Repairs	0	900	900	0	900	0	900	0	0	0	0	0
25100590 EL Rule 20 Undergrd.Fee	980	4,900	4,900	0	4,900	0	4,900	0	0	0	0	0
25150020 SL Repair	0	0	1,049	1,049	0	1,049	0	1,049	0	0	0	0
25150025 SL St.Light Elect.Charge	15,120	42,537	42,537	0	42,537	0	42,537	0	0	0	0	0
25300040 GS Gas Deposits	41,355	234,795	234,795	0	81,525	153,270	0	81,525	0	0	81,525	0
25400030 XMU Adjust Facilities	0	0	950	950	475	475	475	0	0	0	0	0
26050505 CG +/- .5' Balance C & G	54,225	29,905	29,905	0	24,468	5,437	20,926	0	0	3,542	3,542	0
26050535 CG Traffic Control	6,000	0	0	0	0	0	0	0	0	0	0	0
26050540 CG Join Existing Curb	4,000	0	0	0	0	0	0	0	0	0	0	0
26051010 CG 6" x 24" Curb & Gutt	495,057	252,942	252,942	0	252,942	0	222,536	0	0	30,306	30,306	0
26051035 CG 5" Curb Only	9,751	18,300	18,300	0	18,300	0	0	0	0	18,300	18,300	0
26051055 CG Transition C & G	28,200	0	0	0	0	0	0	0	0	0	0	0
26051605 CG Sawcut/Remove AC&AB	7,600	0	0	0	0	0	0	0	0	0	0	0
26051645 CG Traffic Control	10,000	0	0	0	0	0	0	0	0	0	0	0
26052030 CG Backfill Curb&Gutter	22,029	0	0	0	0	0	0	0	0	0	0	0
26100905 PI Access Road	0	4,358	13,400	9,042	13,400	0	8,242	3,200	0	0	5,158	0
26100935 PI Feather At Join	4,800	13,188	13,188	0	13,188	0	13,188	0	0	0	0	0
26100950 PI +/- .5' Balance St	136,144	44,092	44,092	0	44,092	0	44,092	0	0	0	0	0
26100957 PI Export Street Grade	0	0	6,952	6,952	0	0	6,952	0	0	0	0	0
26100955 PI 2 x 4 Redwood Header	0	3,292	3,292	0	3,292	0	3,292	0	0	0	0	0
26101048 PI 3" AC / 14" AB	1,283,645	0	0	0	0	0	0	0	0	0	0	0
26101205 PI X " AC	0	852,965	852,965	0	712,054	140,911	712,054	0	0	0	0	0

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26101425 PI 6" AB	0	115,063	115,063	0	122,280	7,217	122,280	0	0	0	0	7,217
26102005 PI X" Cap Pave	0	0	53,547	53,547	0	53,547	0	0	0	0	0	0
26102018 PI .1" Cap Pave	384,121	0	269,453	269,453	269,453	0	269,453	0	0	0	0	0
26102525 PI Fog Seal	43,761	0	0	0	0	0	0	0	0	0	0	0
26102545 PI Add'l Move Base	17,500	0	0	0	0	0	0	0	0	0	0	0
26102550 PI Add'l Move Cap	17,500	0	0	0	0	0	0	0	0	0	0	0
26102555 PI Traffic Control	3,000	37,792	37,958	166	37,958	0	37,792	166	0	0	166	0
26102590 PI Overtime	0	0	8,182	8,182	7,624	558	7,624	0	0	0	0	0
26102595 PI Survey Monuments	2,500	0	0	0	0	0	0	0	0	0	0	0
26102605 PI Subgrade Geo-textile	0	0	11,679	11,679	11,679	0	11,679	0	0	0	0	0
26102620 PI Other	0	50,000	180,000	130,000	39,579	140,421	39,579	0	0	0	0	0
26150530 DP Removals	33,119	61,121	61,121	0	61,121	0	61,121	0	0	0	0	0
26151015 DP 24" Wide Conc Band	0	39,116	39,116	0	39,116	0	39,116	0	0	0	0	0
26151505 DP Interlocking Pavers	313,660	369,472	440,472	71,000	369,472	71,000	369,472	0	0	0	0	0
26152005 DP Sealer	19,482	19,482	0	19,482	0	0	0	0	0	0	0	0
26200505 SS Stop Sign	4,250	65,326	65,326	0	65,326	0	60,482	0	0	0	4,844	0
26200515 SS Street Name	6,300	23,302	19,284	4,018	19,284	0	7,633	0	0	0	11,651	0
26200525 SS Fire Lane	0	23,748	26,362	2,614	26,362	0	6,594	0	2,614	0	19,768	0
26200530 SS Blue RPM @ F H	475	0	0	0	0	0	0	0	0	0	0	0
26200545 SS No Parking Sign	900	0	0	0	0	0	0	0	0	0	0	0
26200560 SS Street Striping	18,400	0	0	0	0	0	0	0	0	0	0	0
26200570 SS Barricade	4,860	0	0	0	0	0	0	0	0	0	0	0
26200580 SS Monument Signage	0	8,796	9,606	810	9,606	0	5,208	0	0	0	4,398	0
26200585 SS Advance Sign	3,600	0	0	0	0	0	0	0	0	0	0	0
26200590 SS Misc Traffic Signs	0	46,816	57,564	10,748	57,563	1	33,148	0	0	0	24,415	0
26250505 SDA Saturation	0	26,036	26,036	0	20,737	5,299	20,737	0	0	0	0	0
26250510 SDA 2" Base Under S/W	0	0	24,000	24,000	23,042	958	23,042	0	0	0	0	0
26250540 SDA Grade Walks/Approach	11,575	15,430	15,430	0	8,855	6,575	5,000	0	0	3,855	3,855	0
26251005 SDA 4" Sidewalk	157,325	183,980	202,800	18,818	146,083	56,725	146,083	0	0	0	0	0
26251015 SDA 6" Drive Approach	0	6,075	0	0	0	0	0	0	0	0	0	0
26251025 SDA Access Ramp	24,700	34,994	34,393	601	43,713	9,320	43,713	0	0	0	0	9,320
26300505 SC Allocated Water Truck	0	0	1,540	1,540	1,540	0	1,540	0	0	0	0	0
26300510 SC Labor	0	3,020	22,735	19,715	22,735	0	18,881	2,414	864	0	3,854	0
26300515 SC Street Sweeping	0	9,540	41,210	31,670	8,425	32,785	4,545	2,040	720	0	3,880	0
26300525 SC Dust Control	0	0	330	330	330	0	330	0	0	0	0	0
26350505 PR Concrete Repair	19,968	19,968	19,968	0	3,744	16,224	3,744	0	0	0	0	0
26350510 PR Patch	0	0	1,215	1,215	1,215	0	1,215	0	0	0	0	0
26350530 PR Asphalt Repair	94,649	94,649	94,649	0	3,100	91,549	0	0	0	0	3,100	0
26350535 PR C&G/AC Repair	31,644	31,844	30,629	1,215	3,207	27,422	3,207	0	0	0	0	0
26400515 XSI Overtime	0	0	10,000	10,000	6,183	3,817	6,183	0	0	0	0	0
27051015 BW Low Slump Wall w/Gla	0	91,504	91,504	0	91,504	0	91,504	0	0	0	0	0
27052085 BW Sound Wall	643,200	620,674	394,370	226,304	394,370	0	25,519	0	160,803	197,859	368,851	0
27052090 BW Entry Wall	28,860	28,860	28,860	0	0	28,860	0	0	0	0	0	0
27052110 BW Entry Monumentation	96,600	96,600	96,600	0	0	96,600	0	0	0	0	0	0
27052150 BW Community Wall	763,815	763,815	633,906	129,909	633,906	0	421,572	0	90,866	32,318	212,334	0
27052585 BW 24" Slump Pilaster	39,900	39,900	0	39,900	0	0	0	0	0	0	0	0
27053015 BW Extra	0	0	3,680	3,680	3,680	0	3,680	0	0	0	0	0
27053020 BW Deputy Inspection	0	35,540	35,541	1	35,540	1	18,690	5,143	0	3,091	16,850	0

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27100505 HW Type A Case 1 Wall	0	369,920	378,182	8,262	378,182	0	16,726	186,055	0	10,789	361,456	0
27250505 WI Low Wrought Iron	0	6,600	87,936	81,336	87,936	0	87,936	0	0	0	0	0
27250510 WI Full Hgt Wrought Iron	0	38,402	38,402	0	38,402	0	38,402	0	0	0	0	0
27251010 WI Md Access Gate	0	14,735	14,735	0	14,735	0	14,735	0	0	0	0	0
27251015 WI Lg Access Gate	0	50,348	50,348	0	50,348	0	50,348	0	0	0	0	0
27352005 OF Temp Chain Link	0	6,700	26,327	19,627	11,976	14,351	5,276	0	0	0	6,700	0
27362010 OF Windscreen	0	3,251	7,863	4,612	7,863	0	4,612	0	0	0	3,251	0
27352025 OF Relocation Charges	0	3,051	4,074	1,023	4,074	0	0	0	0	1,023	4,074	0
28050585 LC Work Area 21 Irr	0	438,354	438,354	0	438,354	0	143,351	0	295,003	0	295,003	0
28050586 LC Work Area 22 Irr	0	31,933	31,933	0	31,933	0	13,932	0	18,001	0	18,001	0
28050587 LC Work Area 23 Irr	0	127,248	127,248	0	127,248	0	79,248	0	48,000	0	48,000	0
28050588 LC Work Area 24 Irr	0	82,972	82,972	0	82,972	0	37,972	0	45,000	0	45,000	0
28051005 LC Work Area 1 Planting	0	65,800	65,800	0	65,800	0	65,800	0	0	0	0	0
28051085 LC Work Area 21 Planting	0	433,851	433,851	0	433,851	0	215,847	0	215,004	0	215,004	0
28051086 LC Work Area 22 Planting	0	95,094	95,094	0	95,094	0	95,094	0	0	0	0	0
28051087 LC Work Area 23 Planting	0	115,632	115,632	0	115,632	0	115,632	0	0	0	0	0
28051088 LC Work Area 24 Planting	0	178,790	178,791	1	178,791	0	154,789	0	24,002	0	24,002	0
28051105 LC Work Area 1 Const.	277,041	0	0	0	0	0	0	0	0	0	0	0
28051110 LC Work Area 2 Const.	250,672	0	0	0	0	0	0	0	0	0	0	0
28051115 LC Work Area 3 Const.	781,321	0	0	0	0	0	0	0	0	0	0	0
28051120 LC Work Area 4 Const.	3,006,558	0	0	0	0	0	0	0	0	0	0	0
28051125 LC Work Area 5 Const.	1,771,403	87,400	87,400	0	87,400	0	0	87,400	0	0	87,400	0
28051130 LC Work Area 6 Const.	93,104	93,104	0	93,104	0	0	0	0	0	0	0	0
28051135 LC Work Area 7 Const.	110,991	110,991	0	110,991	0	0	0	0	0	0	0	0
28051145 LC Work Area 9 Const.	1,400,000	0	0	0	0	0	0	0	0	0	0	0
28051150 LC Work Area 10 Const.	33,297	0	0	0	0	0	0	0	0	0	0	0
28051155 LC Work Area 11 Const.	20,790	20,790	0	20,790	0	0	0	0	0	0	0	0
28051160 LC Work Area 12 Const.	20,790	20,790	0	20,790	0	0	0	0	0	0	0	0
28051285 LC Work Area 1 Drains	0	23,300	23,300	0	23,300	0	23,300	0	0	0	0	0
28051505 LC Work Area 1 Maint	34,119	15,400	15,400	0	15,400	0	15,400	0	0	0	0	0
28051585 LC Work Area 21 Maint	0	12,900	12,900	0	12,900	0	12,900	0	0	0	0	0
28051586 LC Work Area 22 Maint	0	3,375	3,375	0	3,375	0	3,375	0	0	0	0	0
28051587 LC Work Area 23 Maint	0	5,115	5,115	0	5,115	0	5,115	0	0	0	0	0
28051588 LC Work Area 24 Maint	0	4,275	4,275	0	4,275	0	4,275	0	0	0	0	0
28052505 LC CL Fine Grd/Soil Prep	0	84,130	84,130	0	84,130	0	84,130	0	0	0	0	0
28052510 LC CL Groundcover	0	173,010	221,460	48,450	221,460	0	221,460	0	0	0	0	0
28052515 LC CL Mulch	0	42,000	42,000	0	42,000	0	42,000	0	0	0	0	0
28052550 LC CL Irrigation	0	330,000	362,274	32,274	362,274	0	302,274	0	60,000	0	60,000	0
28052555 LC CL Hardscape	0	171,951	171,951	0	171,951	0	161,951	10,000	0	0	10,000	0
28052569 LC CL Root Barrier	0	23,840	23,840	0	23,840	0	22,560	0	1,280	0	1,280	0
28052570 LC CL Redwood Headers	0	5,668	5,668	0	5,668	0	5,668	0	0	0	0	0
28053005 LC PL Fine Grd/Soil Prep	0	69,622	69,622	0	69,622	0	35,872	0	33,750	0	33,750	0
28053015 LC PL Mulch	0	36,900	36,900	0	36,900	0	36,900	0	0	0	0	0
28053025 LC PL Sod	0	47,600	47,600	0	47,600	0	47,600	0	0	0	0	0
28053050 LC PL Irrigation	0	308,000	308,000	0	308,000	0	308,000	0	0	0	0	0
28053105 LC PL Lighting	0	200,000	200,000	0	200,000	0	170,000	0	22,000	0	30,000	0
28053220 LC PM 24"Box Tree	0	84,042	84,042	0	84,042	0	84,042	0	0	0	0	0
28053230 LC PM 36"Box Tree	0	71,570	71,570	0	71,570	0	71,570	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of February	Budget Chg Budget as of May	----- Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid March	Paid April	Paid May	Paid ITD	Over/Under
28053240 LC PM 48"Box Tree	0	72,600	72,600	0	72,600	0	72,600	0	0	0	0	0
28053250 LC PM 60"Box Tree	0	155,397	155,397	0	155,397	0	149,303	0	0	6,094	6,094	0
28053255 LC PM 72"Box Tree	0	281,281	281,281	0	281,281	0	0	0	0	281,281	281,281	0
28053305 LC PM 1 Gal Shrub	0	16,768	16,768	0	16,768	0	16,768	0	0	0	0	0
28053310 LC PM 5 Gal Shrub	0	448,020	448,020	0	448,020	0	448,020	0	0	0	0	0
28053315 LC PM 15 Gal Shrub	0	77,552	77,552	0	77,552	0	77,552	0	0	0	0	0
28205045 EM Ext Production Maint	0	0	150,000	150,000	0	150,000	0	0	0	0	0	0
28250510 OL Landscape Parkway	263,834	0	0	0	0	0	0	0	0	0	0	0
28250520 OL Extra Landscape	79,150	0	18,783	18,783	18,783	0	18,783	0	0	0	0	0
28250530 OL Extra Irrigation	0	30,195	59,473	29,278	59,473	0	56,878	2,140	0	0	2,595	0
28250570 OL Overtime Landscape	0	0	25,440	25,440	16,740	8,700	16,740	0	0	0	0	0
28250580 OL Clear and Grub	0	1,840	2,814	974	2,814	0	0	0	974	0	2,814	0
28350501 AL Area Lighting	0	0	116,810	116,810	116,810	0	116,810	0	0	0	0	0
29050510 SV Supervision	81,000	0	0	0	0	0	0	0	0	0	0	0
29050515 SV Mgmt Consulting	0	535,808	535,808	0	535,808	0	329,608	60,750	800	70,375	206,200	0
29050520 SV Security	0	25,500	66,552	41,052	31,712	34,940	16,160	0	7,168	8,394	15,552	0
29100510 TF Temp Power	4,500	4,500	1,095	3,405	1,095	0	0	0	0	0	1,095	0
29100515 TF Temp Toilets	1,800	2,830	2,830	0	2,798	32	1,380	0	0	1,418	1,418	0
29100520 TF Field Office	13,500	13,500	13,500	0	6,264	7,236	0	0	6,264	0	6,264	0
29150505 RF Excavation	23,388	0	0	0	0	0	0	0	0	0	0	0
29150545 RF Start Up	480,000	0	0	0	0	0	0	0	0	0	0	0
29201505 RF Concrete	63,985	0	0	0	0	0	0	0	0	0	0	0
29201511 RF Plumbing	45,981	0	0	0	0	0	0	0	0	0	0	0
29201517 RF Lumber Framing	57,897	0	0	0	0	0	0	0	0	0	0	0
29201519 RF Labor Framing	66,060	0	0	0	0	0	0	0	0	0	0	0
29201521 RF Lumber Trusses	30,534	0	0	0	0	0	0	0	0	0	0	0
29201525 RF HVAC	38,205	0	0	0	0	0	0	0	0	0	0	0
29201527 RF Electric	98,631	0	0	0	0	0	0	0	0	0	0	0
29201531 RF Fire Sprinklers	9,450	0	0	0	0	0	0	0	0	0	0	0
29201543 RF Alarm	62,266	0	0	0	0	0	0	0	0	0	0	0
29201549 RF Windows-Vinyl	8,102	0	0	0	0	0	0	0	0	0	0	0
29201553 RF Sheet Metal	6,939	0	0	0	0	0	0	0	0	0	0	0
29201557 RF Roofing	57,168	0	0	0	0	0	0	0	0	0	0	0
29201559 RF Insulation	4,716	0	0	0	0	0	0	0	0	0	0	0
29201563 RF Stucco	30,375	0	0	0	0	0	0	0	0	0	0	0
29201565 RF Drywall	35,784	0	0	0	0	0	0	0	0	0	0	0
29201585 RF Painting	29,331	0	0	0	0	0	0	0	0	0	0	0
29201587 RF Cabinets	9,756	0	0	0	0	0	0	0	0	0	0	0
29201589 RF Finish Carpentry	55,305	0	0	0	0	0	0	0	0	0	0	0
29201591 RF Masonry Veneer	23,539	0	0	0	0	0	0	0	0	0	0	0
29201605 RF Fireplace Face Other	0	0	6,748	6,748	6,748	0	6,748	0	0	0	0	0
29201607 RF Overheads	0	12,538	12,538	0	12,538	0	12,538	0	0	0	0	0
29201611 RF Cultured Mble.Ctr.Top	56,416	0	0	0	0	0	0	0	0	0	0	0
29201623 RF Gutters & Downspouts	2,713	0	0	0	0	0	0	0	0	0	0	0
29201625 RF Bathroom Partitions	3,545	0	0	0	0	0	0	0	0	0	0	0
29201627 RF Room Partition	10,440	0	0	0	0	0	0	0	0	0	0	0
29201629 RF Mirrors	2,133	0	0	0	0	0	0	0	0	0	0	0
29201631 RF Finish Hardware	27,054	0	0	0	0	0	0	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of February	Budget Chg Budget as of May	----- Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid March	Paid April	Paid May	Paid ITD	Over/Under
29201633 RF Light Fixtures	16,787	0	0	0	0	0	0	0	0	0	0	0
29201635 RF Weather Stripping	1,989	0	0	0	0	0	0	0	0	0	0	0
29201637 RF Appliances	12,469	0	0	0	0	0	0	0	0	0	0	0
29201643 RF Hard Surface Flooring	37,827	0	0	0	0	0	0	0	0	0	0	0
29201645 RF Carpet Flooring	28,912	0	0	0	0	0	0	0	0	0	0	0
29201647 RF Clean Up	11,313	0	0	0	0	0	0	0	0	0	0	0
29201655 RF Repairs/Maintenance	84,690	0	0	0	0	0	0	0	0	0	0	0
29201663 RF Furnishings	337,500	0	0	0	0	0	0	0	0	0	0	0
29201675 RF Flatwork	55,444	574,659	574,659	0	574,659	0	574,659	0	0	0	0	0
29201685 RF Wrought Iron	0	49,323	98,703	49,380	49,323	49,380	0	0	0	0	0	0
29201690 RF Masonry Walls	21,240	271,534	271,534	0	271,534	0	177,048	38,514	0	55,972	94,486	0
29201695 RF Retaining Walls	0	24,234	24,234	0	24,234	0	24,234	0	0	0	0	0
29201700 RF Landscape	0	88,389	88,389	0	88,389	0	79,849	0	0	8,540	8,540	0
29201715 RF Pool Signage	0	30,802	0	30,802	0	0	0	0	0	0	0	0
29201720 RF Bar B Que	0	85,137	85,137	0	85,137	0	80,012	0	0	0	5,125	0
29201725 RF Bike Rack	0	25,438	25,438	0	25,438	0	19,987	0	0	0	5,451	0
29201735 RF Play Equipment 1	0	1,090,686	1,090,686	0	1,090,686	0	625,883	140,363	0	301,047	464,803	0
29201750 RF Bench	0	26,824	26,824	0	26,824	0	20,118	0	0	0	6,706	0
29201751 RF Tables	0	29,340	29,340	0	29,340	0	19,560	0	0	0	9,780	0
29201752 RF Trash Cans	0	71,252	67,060	4,192	67,060	0	46,942	0	0	0	20,118	0
29201830 RF Rec Ctr Export	15,000	0	0	0	0	0	0	0	0	0	0	0
29201840 RF Rec Ctr Grading	24,000	0	0	0	0	0	0	0	0	0	0	0
29201845 RF Rec Ctr Drainage	6,930	248,475	248,475	0	248,476	1	24,348	66,290	0	105,348	224,128	0
29201850 RF Overheads	0	184,440	184,440	0	184,440	0	52,196	0	0	132,244	132,244	0
29201880 RF Area Lighting Fixt's	0	236,457	236,457	0	236,457	0	153,697	11,823	0	42,562	82,760	0
29201885 RF Area Lighting	0	220,000	220,000	0	220,000	0	154,000	11,000	0	46,200	66,000	0
29211515 RF Slab Completion	0	71,424	71,424	0	71,424	0	7,824	0	0	63,600	63,600	0
29221025 RF Bocce Ball Court	0	54,278	54,278	0	54,279	1	13,570	0	0	40,709	40,709	0
29350512 GR Home-Site Clean	0	1,296	9,720	8,424	9,720	0	6,480	1,296	1,944	0	3,240	0
29500505 MD Trails	100,000	0	0	0	0	0	0	0	0	0	0	0
29500515 MD Special Projects	0	423	535	112	644	109	0	0	112	108	644	109
29600505 RB Electric	0	65,290	65,290	0	0	65,290	0	0	0	0	0	0
29600515 RB Telephone	0	28,650	28,650	0	0	28,650	0	0	0	0	0	0
29600525 RB Gas	0	168,310	168,310	0	0	168,310	0	0	0	0	0	0
29600535 RB Gas Joint Trench	0	23,320	23,320	0	0	23,320	0	0	0	0	0	0
29600540 RB Meter Deposits	0	501,130	501,130	0	0	501,130	0	0	0	0	0	0
29600505 Contingency (All)	2,624,663	3,179,490	2,354,946	824,545	0	2,354,946	0	0	0	0	0	1
11619000 Tustin Legacy	28,871,032	29,651,448	29,651,447	1-	24,944,435	4,707,012	11,963,723	1,700,081	4,289,584	4,073,444	12,980,712	143,712

	Original Budget	.....Ortry Budget as of February	Budget Chg Budget as of May	----- Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid March	Paid April	Paid May	Paid ITD	Over/Under
11619001 Tustin Legacy												
21050505 DO Prelim Investigation	102,751	102,751	145,682	43,131	145,682	0	0	0	0	0	145,682	0
21050510 DO Prelim Engineering	334,052	334,052	334,052	0	333,484	568	0	0	0	0	333,484	0
21050520 DO Land Planning	63,683	63,683	63,683	0	63,683	0	0	0	0	0	63,683	0
21050525 DO Prelim Soil	48,421	48,421	48,421	0	48,421	0	0	0	0	0	48,421	0
21050535 DO Prelim Legal	408,595	408,595	487,192	78,597	522,757	35,565	0	35,565	0	0	522,757	35,565
21050540 DO Prelim Architecture	387,347	387,347	387,347	0	379,005	8,342	0	0	0	0	379,005	0
21050550 DO Public Relations	0	1,000	1,000	0	1,000	0	0	0	0	0	1,000	0
21050555 DO Government Relations	6,000	6,000	6,000	0	6,000	0	0	0	0	0	6,000	0
21050560 DO Phase 1 Environmental	80,904	80,904	80,904	0	79,132	1,772	0	0	0	0	79,132	0
21050565 DO Landscape	230,175	230,175	230,175	0	229,923	252	0	0	0	0	229,923	0
21050580 DO Municipal Finance	385,095	385,295	415,315	30,220	415,315	0	0	0	0	0	415,315	0
21050590 DO Reprographics	74,782	74,782	76,517	1,735	76,517	0	0	0	0	0	76,517	0
21050595 DO Meetings	0	3,161	3,161	0	3,386	225	0	0	0	225	3,386	225
21100505 SE Office Engineering	1,116,300	1,116,300	1,065,300	51,000	1,065,300	0	32,583	4,119	15,129	5,014	1,032,717	0
21100510 SE Field Engineering	844,200	844,200	695,765	148,435	470,800	224,865	291,814	51,603	83,260	0	178,096	0
21100535 SE Extras Office Eng	111,630	111,630	242,680	131,050	232,150	10,530	179,587	0	0	52,463	52,463	0
21100540 SE Extras Field Eng	84,420	84,420	84,420	0	17,800	66,620	17,800	0	0	0	0	0
21101005 SE Util Planner Contract	93,300	93,300	121,700	28,400	121,700	0	28,800	14,200	570	6,500	92,900	0
21101010 SE Util Planner Extra	9,330	9,330	0	9,330	0	0	0	0	0	0	0	0
21101505 SE Landscape Arch Cont	430,140	479,891	479,891	0	495,010	15,119	77,560	9,728	0	10,105	417,450	15,119
21101510 SE Landscape Arch Extra	43,014	43,014	43,014	0	5,570	37,444	0	0	2,000	3,570	5,570	0
21101520 SE Secondary LS Arch Cont	66,120	66,121	66,121	0	66,121	0	8,128	0	0	0	57,993	0
21101525 SE Secondary LS Arch Extra	6,612	6,612	6,612	0	0	6,612	0	0	0	0	0	0
21101505 SE HOA Maint. Book	5,500	5,500	5,500	0	5,500	0	0	0	0	0	0	0
21102005 SE Light Consult Cont	20,000	20,000	9,200	10,800	9,200	0	0	0	0	0	9,200	0
21150005 SO Soil Corosivity Test	5,000	5,000	0	5,000	0	0	0	0	0	0	0	0
21150010 SO Mass/Rough Soils Eng	120,470	144,942	144,942	0	144,942	0	47	0	0	835	144,895	0
21150015 SO Post Grading Soils	75,875	75,875	213,239	137,364	213,239	0	127,757	0	0	86,482	86,482	0
21150035 SO Extra Mass/Rough Soil	12,047	12,047	40,170	28,123	40,170	0	3,433	0	36,737	0	36,737	0
21150040 SO Extra Post Grading	7,588	7,588	20,599	13,011	0	20,599	0	0	0	0	0	0
21150055 SO Reports	18,800	18,800	0	18,800	0	0	0	0	0	0	0	0
21200005 AE Pool Building Arch	45,000	45,000	58,000	13,000	58,000	0	0	0	0	0	58,000	0
21200010 AE Structural Engineer	25,000	32,195	34,305	2,120	34,305	0	3,135	0	0	0	31,170	0
21200015 AE Rec Center Arch	17,600	17,600	16,000	1,600	16,000	0	0	0	0	0	16,000	0
21250010 ME Acoustical Engineer	3,000	5,750	6,050	300	6,050	0	0	300	0	0	6,050	0
21250015 ME Arched/Paleo	76,800	129,600	129,600	0	158,700	29,100	27,565	10,010	27,630	0	131,135	29,100
21250025 ME Processing Government	32,078	32,078	32,078	0	27,038	5,040	10,936	2,650	0	803	16,102	0
21250085 ME Misc Engineering	15,500	15,500	15,500	0	7,290	8,210	0	2,010	0	0	7,290	0
21250095 ME Environmental Consult.	15,900	25,689	25,689	0	25,689	0	12,935	0	0	0	12,954	0
21250125 ME Fire Mitigation Engr	14,000	14,000	14,000	0	14,000	0	0	0	0	0	0	0
21300005 RE Reprographics	45,000	45,000	0	45,000	0	0	0	0	0	0	0	0
22350505 SB Premiums	412,354	412,354	412,354	0	115,117	297,237	0	237	0	0	115,117	0
22350525 SB City	122,000	207,582	207,582	0	207,582	0	0	0	0	0	207,582	0
22350580 SB Cash Bond	0	194,505	266,661	82,156	266,661	0	0	0	0	0	266,661	0
29802020 RB Cash Bond	0	0	266,661	266,661	0	266,661	0	0	0	0	0	0
29800505 Contingency (All)	336,022	75,875	75,875	0	75,875	0	0	0	0	0	0	0
29800520 Contingency Fee Increase	115,118	62,741	62,741	0	62,741	0	0	0	0	0	0	0
1357 Site Plan												
30001014 Site Plan	12,000	0	0	0	0	0	0	0	0	0	0	0

	Original Budget	.....Ortry Budget as of February	Budget Chg Budget as of May	----- Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid March	Paid April	Paid May	Paid ITD	Over/Under
30001017 Tentative Tract Map	12,000	100	100	0	100	0	0	0	0	0	100	0
30001020 Final Map/Parcel Map	82,996	84,359	53,363	30,996	54,151	788	0	0	788	0	54,151	788
30001030 Dept of Fish & Game	250	250	0	250	0	0	0	0	0	0	0	0
30001040 NPDES/SNPPP	9,358	9,358	9,358	0	5,057	4,301	0	0	0	0	5,057	0
30001047 Trans Fee/Th Corridor	20,463	0	0	0	0	0	0	0	0	0	0	0
30001050 Trans Fees/Traffic Signal	555	555	555	0	555	0	0	0	0	0	0	0
30001054 Trans Fees/Traffic Impact	0	0	5,113	5,113	0	0	0	0	0	0	5,113	0
30001060 Development Impact Fees	0	0	16,934,704	16,934,704	16,934,704	0	0	270,955	1,896,687	14,767,062	16,934,704	0
30001070 Fire Fees	0	6,525	6,525	0	6,525	0	0	0	0	0	6,525	0
30001080 Encroachment Permits	0	5,050	15,050	10,000	15,050	0	0	0	0	0	15,050	0
30001084 School Fees I	2,832	2,644	2,644	0	2,644	0	0	0	0	0	2,644	0
30001090 Rough Grade PC&I	191,968	233,930	233,930	0	233,930	0	0	0	0	0	233,930	0
30001104 Sewer PC&I	82,833	82,833	111,909	29,076	111,909	0	0	0	0	0	111,909	0
30001107 Sewer Connection	12,347	12,347	12,347	0	0	12,347	0	0	0	0	0	0
30001110 Sewer Capacity	9,883	9,883	9,883	0	0	9,883	0	0	0	0	0	0
30001114 Storm Drain PC&I	0	11,792	19,742	7,903	19,742	47	0	202	47	0	19,742	47
30001124 Water PC&I	105,630	105,630	177,644	72,014	189,744	12,100	0	20,025	2,700	6,625	189,744	12,100
30001130 Water Connection Fee	3,846	3,846	3,846	0	0	3,846	0	0	204,730	204,730	0	0
30001144 Water Meter Fee	4,525	4,525	14,725	10,200	13,375	1,350	0	1,650	3,600	0	13,375	0
30001147 Street Improvement PC&I	13,730	19,852	24,495	4,643	24,991	496	0	4,644	496	0	24,991	496
30001150 Precise Grade PC&I	13,690	19,009	19,211	202	19,461	250	0	0	250	0	19,461	250
30001154 Landscape PC&I	13,500	15,614	25,941	10,327	25,941	0	0	0	0	0	25,941	0
30001157 Wall PC&I	3,721	4,153	7,897	3,744	7,897	0	0	0	0	0	7,897	0
30001160 Retaining Walls PC&I	1,079	5,893	6,195	202	6,195	0	0	0	0	0	6,195	0
30001164 Building Permits	9,122	12,791	22,585	9,794	22,585	0	0	0	0	0	22,585	0
30001170 Conditional Use Permit	0	350	400	50	400	0	0	0	0	0	400	0
30001177 Business License	300	300	300	0	81	219	0	0	0	0	81	0
30001180 Misc County Fees	0	2,492	2,492	0	2,492	0	0	0	0	0	2,492	0
30001184 Misc City Fees	10,000	15,042	15,042	0	20,042	5,000	0	0	0	5,000	20,042	5,000
11619001 Tustin Legacy	7,084,351	7,265,418	24,344,725	17,099,307	23,831,268	513,457	822,180	427,897	2,274,823	14,739,154	23,029,088	96,690

	Original Budget	.....Ctrlly Budget as of February	Budget Chg Budget as of May	----- Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid March	Paid April	Paid May	Paid ITD	Over/Under
11619002 Tustin Legacy Rec Building												
1354 RMG Pad Flooding	0	1,080	1,080	0	1,080	0	0	0	0	0	1,080	0
23205020 RMG Pad Flooding	0	576	576	0	576	0	0	0	0	0	576	0
23300090 EC Erosion Control	0	4,040	4,040	0	4,040	0	0	0	0	0	4,040	0
27053020 SW Deputy Inspection	0	9,150	22,850	13,700	22,850	400	20,800	1,400	0	250	1,650	0
29100510 TF Temp Power	0	1,418	1,418	0	1,418	0	1,418	0	0	0	0	0
29100515 TF Temp Toilets	63,985	48,020	49,733	1,713	49,733	0	0	1,713	0	0	49,733	0
29201511 RF Plumbing	45,981	64,795	66,920	2,135	66,920	0	11,853	0	0	0	55,067	0
29201517 RF Lumber Framing	57,897	300,324	301,308	984	307,457	6,149	2,232	119,653	0	3,947	305,255	6,149
29201519 RF Labor Framing	66,060	0	0	0	0	0	0	0	0	0	0	0
29201521 RF Lumber Trusses	30,534	0	0	0	0	0	0	0	0	0	0	0
29201525 RF HVAC	38,205	11,700	11,700	0	11,700	0	3,510	0	0	0	8,190	0
29201527 RF Electric	99,631	62,255	62,970	715	62,970	0	62,970	0	0	0	0	0
29201531 RF Fire Sprinklers	9,450	359	359	0	359	0	359	0	0	0	0	0
29201543 RF Alarm	62,266	26,261	57,533	31,272	57,533	0	19,385	13,131	0	9,381	38,148	0
29201549 RF Windows-Vinyl	8,102	64,388	67,051	2,663	67,051	0	2,663	0	0	0	64,388	0
29201553 RF Sheet Metal	6,939	5,842	5,842	0	5,842	0	0	0	0	0	5,842	0
29201555 RF Metal Fireplace	0	32,100	33,100	1,000	33,100	0	1,000	0	0	0	32,100	0
29201557 RF Roofing	57,168	79,500	79,500	0	79,500	0	27,984	0	0	35,616	51,516	0
29201559 RF Insulation	4,716	2,895	2,895	0	2,895	0	0	2,895	0	0	2,895	0
29201563 RF Stucco	30,375	42,440	43,005	565	43,360	355	355	34,517	8,488	0	43,005	355
29201565 RF Drywall	35,794	21,925	24,311	2,386	24,311	0	0	86	0	2,300	24,311	0
29201585 RF Painting	29,331	17,500	17,500	0	17,500	0	17,500	0	0	0	17,500	0
29201597 RF Cabinets	9,755	8,760	8,760	0	8,760	0	0	0	0	8,760	8,760	0
29201589 RF Finish Carpentry	55,305	47,605	65,427	17,822	65,427	0	0	0	31,076	34,351	65,427	0
29201591 RF Masonry Veneer	23,539	96,260	96,260	0	101,984	5,724	101,984	0	0	0	0	5,724
29201611 RF Cultured Marble Ctr.Top	56,416	55,959	57,493	1,534	57,493	0	0	55,959	1,534	57,493	57,493	0
29201613 RF Marble/Granite CT.Top	0	14,595	16,841	2,246	22,279	5,438	22,279	0	0	0	0	5,438
29201617 RF Counter Top Other	0	245	245	0	245	0	245	0	0	0	0	0
29201623 RF Gutters & Downspouts	2,713	1,695	1,695	0	1,695	0	1,695	0	0	0	0	0
29201625 RF Bathroom Partitions	3,545	0	0	0	0	0	0	0	0	0	0	0
29201627 RF Room Partition	10,440	0	0	0	0	0	0	0	0	0	0	0
29201629 RF Mirrors	2,133	624	624	0	624	0	624	0	0	0	0	0
29201631 RF Finish Hardware	27,054	14,455	14,455	0	14,455	0	0	0	0	0	14,455	0
29201633 RF Light Fixtures	16,787	25,985	25,985	0	24,980	1,005	0	24,980	0	0	24,980	0
29201635 RF Weather Stripping	1,989	0	0	0	0	0	0	0	0	0	0	0
29201637 RF Appliances	12,469	12,279	12,279	0	15,079	2,800	15,079	0	0	0	0	0
29201640 RF Ornamental Iron	0	7,825	7,825	1,026	7,825	0	0	7,825	0	0	7,825	0
29201643 RF Hard Surface Flooring	37,827	31,303	31,303	0	31,303	0	31,303	0	0	0	0	0
29201645 RF Carpet Flooring	28,912	6,253	6,253	0	6,253	0	6,253	0	0	0	0	0
29201647 RF Clean Up	11,313	4,405	4,405	0	4,405	0	980	1,713	0	685	3,425	0
29201655 RF Repairs/Maintenance	84,690	0	0	0	0	0	0	0	0	0	0	0
29201663 RF Furnishings	337,500	334,100	334,100	0	334,100	334,100	0	0	0	0	0	0
29201675 RF Flatwork	55,444	0	0	0	0	0	0	0	0	0	0	0
29201685 RF Wrought Iron	0	49,380	49,380	49,380	49,380	49,380	0	0	0	0	0	0
29201690 RF Masonry Walls	21,240	0	0	0	0	0	0	0	0	0	0	0
29201715 RF Pool Signage	0	3,214	3,214	0	3,214	0	3,214	0	0	0	0	0
29201755 RF Site Hardware	0	0	1,038	1,038	1,038	0	1,038	0	0	0	1,038	1,038
29201830 RF Rec Ctr Export	15,000	15,000	0	15,000	0	0	0	0	0	0	0	0
29201840 RF Rec Ctr Grading	24,000	24,000	0	24,000	0	0	0	0	0	0	0	0

	Original Budget	.....Ctrlly Budget as of February	Budget Chg Budget as of May	----- Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid March	Paid April	Paid May	Paid ITD	Over/Under
29201845 RF Rec Ctr Drainage	6,930	0	0	0	0	0	0	0	0	0	0	0
29700505 SC Charge to Vendor	0	0	1,390	1,390	1,390	0	1,390	0	0	0	0	0
29700510 SC Collect from Vendor	0	0	1,390	1,390	1,390	0	1,390	0	0	0	0	0
29800505 Contingency (All)	149,000	139,332	48,153	91,179	0	48,153	0	0	0	0	0	0
11619002 Tustin Legacy Rec Building	1,639,426	1,639,426	1,639,426	0	1,276,234	363,192	387,535	201,481	120,503	96,824	868,699	18,704

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Harris Realty Appraisal

5100 Birch Street, Suite 200
Newport Beach, California 92660
949-851-1227 FAX 949-851-2055
www.harris-appraisal.com
September 24, 2015

UPDATED APPRAISAL REPORT

**CITY OF TUSTIN
COMMUNITY FACILITIES DISTRICT NO. 2014-1
TUSTIN LEGACY/STANDARD PACIFIC**

Prepared for:

CITY OF TUSTIN
300 Centennial Way
Tustin, CA 92780

James B. Harris, MAI
Berri Cannon Harris
Harris Realty Appraisal
5100 Birch Street, Suite 200
Newport Beach, CA 92660

September 2015

Ms. Pamela Arends-King
Finance Director
CITY OF TUSTIN
300 Centennial Way
Tustin, CA 92780

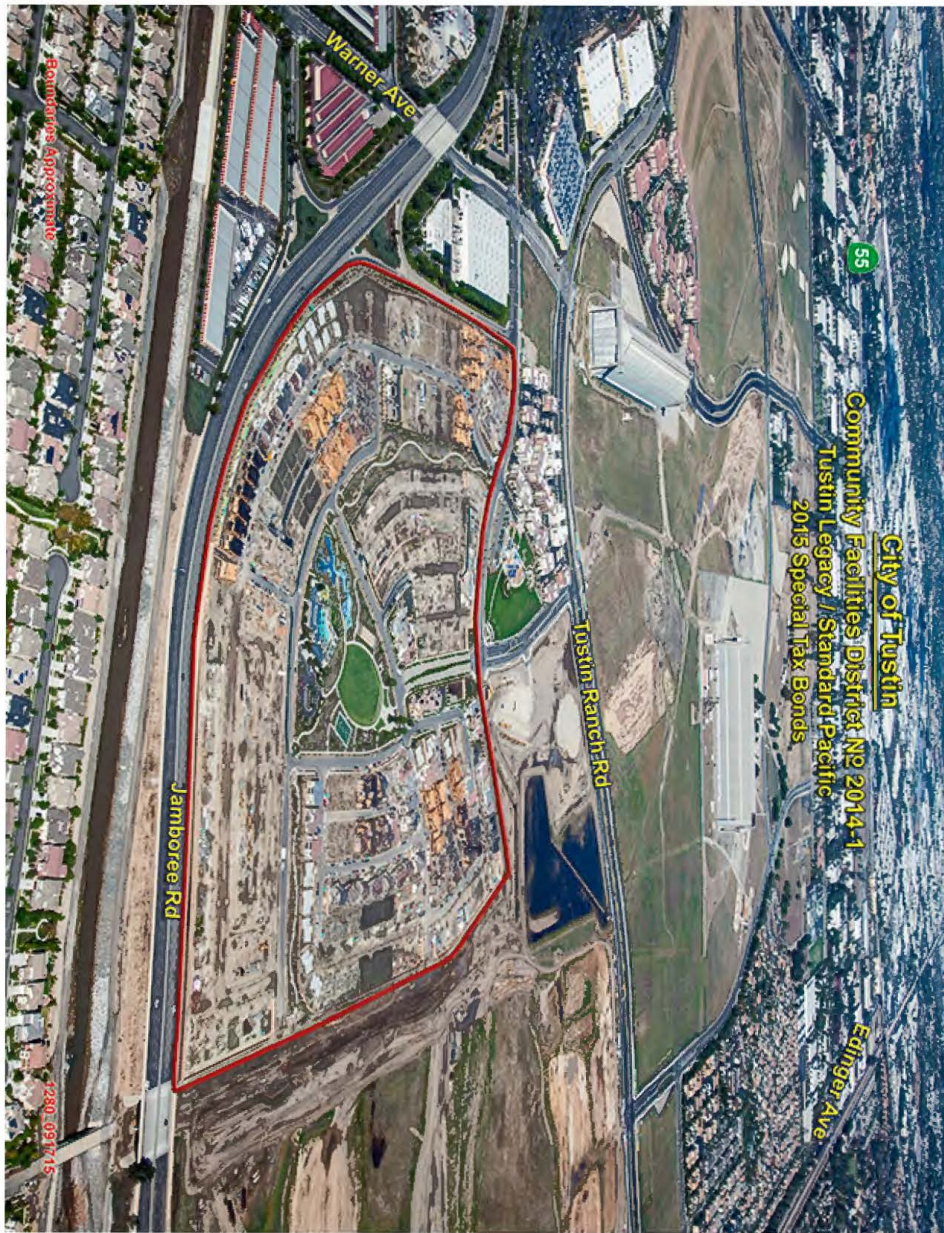
Re: Community Facilities District No. 2014-1
Tustin Legacy/Standard Pacific

Dear Ms. Arends-King:

In response to your authorization, we have prepared an updated appraisal report, in summary format, that must be read in conjunction with the prior self-contained appraisal report which had a June 1, 2015 date of value. This updated appraisal report has a September 1, 2015 date of value. In general, this report will provide sufficient information regarding changes that impact the City of Tustin Community Facilities District No. 2014-1 (the "District" or "CFD No. 2014-1").

The purpose of the original appraisal report was to estimate the Market Value of the land, subject to the special tax levy, under site construction, ranging from blue-top lot condition to a finished lot condition. As of the June 1, 2015 date of value, there were 12 completed model homes within four products, which had their grand opening on May 30, 2015. In addition 13 dwelling units were in the framing stage and 17 dwelling units had slabs within CFD No. 2014-1. The residential land subject to special tax was under the ownership of the developer, Standard Pacific Corporation. As of the June 1, 2015 date of value, the land was proposed for 375 detached dwelling units within four products. Three of the products, proposed for 298 dwelling units, were planned to be built by Standard Pacific Corporation. A fourth product, proposed for 77 dwelling units, was planned to be sold to Brookfield Residential by October 2015.

In the case of this specific assignment, this appraisal report is intended to be used in conjunction with the previous appraisal report. This updated appraisal report will refer to information contained in the original appraisal report unless there have been significant changes in the District and/or market conditions. Due to the significant changes in the dwelling unit construction, the Valuation section of this report will be self-contained and supersede that section of the original appraisal report. We have advised the client and the finance team by email that an updated appraisal report, in summary format will be prepared to provide a current estimate of Market Value. Our client, the City of Tustin, its financial advisor and underwriter have agreed that a summary appraisal report is sufficient. According to the specific guidelines of the California Debt and Investment Advisory Commission (CDIAC), the District is valued in bulk, representing a discounted value for each ownership as of September 1, 2015, the date of value.



Ms. Arends-King
September 24, 2015
Page 2

Client and Intended Users of the Report

This report was prepared for our client, the City of Tustin. The intended users of the report include the City of Tustin, its underwriter, legal counsel, consultants and potential bond investors.

Purpose of the Report

The purpose of this appraisal report is to re-analyze the market, subject property and site construction within the subject CFD that has occurred since the original appraisal report dated June 15, 2015, with a June 1, 2015 date of value. This appraisal report is intended to be used in conjunction with the previous appraisal report. This updated appraisal report will refer to information contained in the original appraisal report unless there have been significant changes in the District and/or market conditions. Due to the significant changes in the dwelling unit construction, the Valuation section of this report will be self-contained and supersede that section of the original appraisal report. The opinions set forth are subject to the assumptions and limiting conditions and the specific appraisal guidelines as set forth by CDIA.

Function of the Report and Intended Use

It is our understanding that this appraisal report is to be used for Community Facilities District bond financing purposes only. The subject property is described more particularly within the original appraisal report. The bonds are issued pursuant to the Mello-Roos Community Facilities District Act of 1982, as amended. The maximum authorized bonded indebtedness for CFD No. 2014-1 is \$29,000,000.

Scope of the Assignment

The scope of this assignment encompasses the necessary research and analysis required for the intended use. This summary appraisal report analyzes conditions that have changed since the date of value of the original appraisal report. Generally, this appraisal report involved a review of current economic conditions, a review of sales activity in the subject's market area, site construction, building construction and home sales activity since last reported, and arriving at an estimate of Market Value as of September 1, 2015.

Date of Value and Report

The opinion of Market Value expressed in this report is stated as of September 1, 2015. The date of the appraisal report is September 24, 2015.

Date of Inspection

The subject property was inspected on numerous occasions, with the most recent inspection on September 1, 2015.

Property Rights Appraised

The property rights appraised are those of the *fee simple estate subject to special tax and special assessment liens* of the real estate described herein.

Property Identification and General Condition of the Lots/Dwellings

The subject property consists of the taxable land within CFD No. 2014-1 (Tustin Legacy/Standard Pacific), in the City of Tustin, which is a part of the MCAS Tustin Specific Plan. Please refer to the CFD boundary map included on page 4 of the original appraisal report. As illustrated on the map, the District is bounded by the future Moffett Drive to the northeast, Jamboree Road to the southeast and southwest and Park Avenue to the west. The City of Irvine is adjacent to the south of the District.

As of the original date of value, the subject site was in a blue-top lot condition to a physically finished lot condition, with 12 complete model homes and 30 production dwellings beginning construction. As of the current date of value, September 1, 2015, the number of dwellings under construction increased to 123 within the four products ranging from color stucco coat with roofs under construction to recently poured slabs.

The grand opening for the four products was May 30, 2015, just before the original date of value. Three months later, the Sheldon and Stafford products are in the 6th phase release, the Crawford product is in the 5th phase release and the Huntley product is in the 4th phase release. Within the four products, 143 have been released for sale and 112 are reported as sold. Escrow closings are expected to begin in November 2015 within all four products. Overall absorption ranges from 6.5 units per month to 15.5 units per month.

Legal Description and Ownership

The District, in its entirety, includes land that has been improved from blue-top lots to completed model homes with 123 production units in various stages of construction. The subject property includes all of the land subject to special tax within the City of Tustin CFD No. 2014-1, which is described as Final Tract Map No. 17507, Lots 1 through 375.

As of the original date of value, all of the taxable land was under the ownership of Standard Pacific Corporation. On August 28, 2015, 28 lots transferred from Standard Pacific Corporation to Brookfield Huntley 77 LLC, under a Quitclaim Deed recorded as Document No. 2015000448359. Reportedly, Brookfield Huntley 77 LLC is a single purpose entity and wholly owned by Brookfield Homes Southern California LLC. The 28 lots that transferred to Brookfield Huntley 77 LLC are lots 104-118, 289-294 and 304-310 within Tract 17507. According to the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions, the price paid was \$425,974 per finished lot, or \$11,927,272. The price paid according to the Documentary Transfer Tax is similar; \$12,085,500 or \$431,625 per lots. According to the builder, the lots transferred in a finished lot condition with all impact fees paid.

Definitions

Market Value¹

The most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (a) Buyer and seller are typically motivated.
- (b) Both parties are well informed or well advised, and each acting in what he considers his own best interest.
- (c) A reasonable time is allowed for exposure in the open market.
- (d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- (e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Fee Simple Estate²

Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

Fee Simple Estate Subject to Special Tax and Special Assessment Liens

Empirical evidence (and common sense) suggests that the selling prices of properties encumbered by such liens are discounted compared to properties free and clear of such liens. In new development projects, annual special tax and/or special assessment payments can be substantial, and prospective buyers take this added tax burden into account when formulating their bid prices. Taxes, including special taxes, are legally distinct from assessments.

The Market Value included herein, reflects the value potential buyers would consider given the special tax lien of Community Facilities District No. 2014-1.

¹ Part 563, subsection 563.17-1a(b)(2), Subchapter D, Chapter V, Title 12, Code of Federal Regulations.

² *The Dictionary of Real Estate Appraisal*, Third Edition, published by The Appraisal Institute, 1993, Page 140

Retail Value

Retail value should be estimated for all fully improved and sold properties. Retail value is an estimate of what an end user would pay for a finished property under the conditions requisite to a fair sale.

Bulk Sale Value³

Bulk sale value should be estimated for all vacant properties--both unimproved properties and improved or partially improved but unoccupied properties. Bulk sale value is derived by discounting retail values to present value by an appropriate discount rate, through a procedure called *Discounted Cash Flow Analysis*. A second method is to use bulk land sales. These are sales of numerous individual parcels sold to one buyer. Bulk sale value is defined as follows:

The most probable price, in a sale of *all* parcels within a tract or development project, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value, as of a specified date, in cash, or terms equivalent to cash, for which the property rights should sell after reasonable exposure, in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue stress.

Blue-Top Graded Parcel

Blue-top graded parcel includes streets cut and padded lots with utilities stubbed to the parcel and perimeter streets completed.

Physically Finished Lots

Finished lots with streets and infrastructure complete. Impact fees are not paid.

Finished Site⁴

Land that is improved so that it is ready to be used for a specific purpose. (Improvements include padded lot, streets and utilities to the lot, and all fees required to issue a building permit paid.)

³ Appraisals Standard for Land-Secured Financings, published by CDIAC, 1004, Page 10

⁴ Ibid, Page 334

Extraordinary Assumptions

Assumptions and Limiting Conditions

The analyses and opinions set forth in this report are subject to the same contingencies, assumptions and limiting conditions set forth in the original appraisal report on pages 8 through 12.

Standards Rule ("S.R.") 2-1(c) of the "Standards of Professional Appraisal Practice" of the Appraisal Foundation requires the appraiser to "clearly and accurately disclose any extraordinary assumption or limiting condition that directly affects an appraisal analysis, opinion, or conclusion." In compliance with S.R. 2-1(c) and to assist the reader in interpreting the report, the following contingencies, assumptions and limiting conditions are set forth as follows:

Contingencies of the Appraisal Reports

The appraisal is contingent upon the successful funding of the bonds for CFD No. 2014-1 through the City of Tustin. The special tax formula was prepared on behalf of the City of Tustin by Albert A. Webb Associates Special Tax Administrator.

The opinions of value rely on the information provided by the District's Special Tax Administrator, which we have assumed to accurately describe the properties within CFD No. 2014-1.

Assumptions and Limiting Conditions – September 1, 2015

This is an updated appraisal report, in summary format, intended to be used in conjunction with the original appraisal report dated June 15, 2015 with a date of value of June 1, 2015.

Consent is hereby given for this report, in its entirety, to be published in the Preliminary Official Statement and Official Statement along with the original appraisal report in conjunction with the funding of bonds for CFD No. 2014-1, for the City of Tustin.

Site Analysis and Improvement Description

Please refer to page 29 through 50 of the original appraisal report for a detailed discussion of the District. Information discussing the general and specific site location are included along with conditions that impact the development of the site for residential use. The description of the site condition as of June 1, 2015 is also included within the Site Analysis and Improvement Description sections of the original appraisal report.

The material changes since the original date of value, include the continued development of the four products. As mentioned, as of June 1, 2015, 12 model homes were complete and 30 production homes had just begun unit

As of September 1, 2015, a total of 123 production homes were under unit construction ranging from slabs to color stucco coat with roof under construction. All four products expect escrow closing to individual homeowners to begin in November 2015. All four products have met with very good market demand. Since opening end of May 2015, the four products are selling between their 4th and 6th phases of development. Sales prices have continued to increase with each phase release. The table on the next page summarizes the site condition and unit construction for each product. Also included are the Phase 1 base sales prices and current base sales prices as of September 1, 2015.

Highest and Best Use

The term *highest and best use* is an appraisal concept which has been defined as follows: The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.⁵

Please refer to pages 51 through 60 in the original appraisal report, which describes, in detail, the process of determining the highest and best use of the property. There have not been any significant changes to the conclusions reached in the Highest and Best Use section of the original appraisal report. Since the original date of value, June 1, 2015, the Southern California and Orange County residential markets have shown increasing sales with stable to increasing prices. The past 3+ months have continued to show an improving pace of sales with increasing price levels from those experienced during 2014. According to CoreLogic, the Southern California home sales in July 2015 increased 16.9% from a year earlier while price levels increased 5.5%. Orange County responded similarly with an increase in sales of 15.5% and prices by 5.3%. Overall home sales reached a nine-year high in July 2015. The improving economy gives more families the confidence to buy a home. June sales also were at a nine-year high. Orange County's median sales price as of mid-August 2015, is reported to be 5.43% below the peak reached in June 2007.

Metrostudy locates the City of Tustin within the Central submarket of Orange County. This area includes the cities of Anaheim, Anaheim Hills, Buena Park, Cypress, Fountain Valley, Garden Grove, Irvine, Orange, Santa Ana, Stanton, and Westminster. The Central submarket region accounted for 488 detached sales during the second quarter of 2015, or a 62% market share of the Orange County market. This sales rate is down 9.1% from the second quarter 2014 sales rate, but up 10% from the first quarter

⁵ *The Dictionary of Real Estate Appraisal*, 4th Edition, Pub. by the Appraisal Institute, Chicago, IL., p. 135.

City of Tustin CFD No. 2014-1
GREENWOOD IN TUSTIN LEGACY
Description of Site and Unit Construction as of September 1, 2015

Product and Builder	Unit Size	# of DUs	Plan	Site and Dwelling Unit Condition	Base Sales Price 6/1/2015	Base Sales Price 9/1/2015	Percent Increase
SUMMARY OF EACH FLOOR PLAN AND BASE SALES PRICES							
Sheldon/Standard Pacific Corp.	1,860	1	Plan 1	Model - Interior/Exterior Upgrades	\$655,900	\$716,900	9%
	2,171	1	Plan 2	Model - Interior/Exterior Upgrades	\$725,900	\$781,900	8%
	2,122	0	Plan 3	Not Modeled	\$711,900	\$774,900	9%
Huntley/Brookfield Residential	2,343	1	Plan 3X	Model - Interior/Exterior Upgrades	\$761,900	\$831,900	9%
	2,597	1	Plan 1	Model - Interior/Exterior Upgrades	\$865,000	\$913,000	6%
	2,839	1	Plan 2	Model - Interior/Exterior Upgrades	\$900,000	\$948,000	5%
Crawford/Standard Pacific Corp.	3,008	1	Plan 3	Model - Interior/Exterior Upgrades	\$942,000	\$967,000	3%
	3,012	1	Plan 1	Model - Interior/Exterior Upgrades	\$981,900	\$1,023,900	4%
	3,412	1	Plan 2	Model - Interior/Exterior Upgrades	\$1,052,900	\$1,094,900	4%
Stafford/Standard Pacific Corp.	3,612	1	Plan 3	Model - Interior/Exterior Upgrades	\$1,094,900	\$1,143,900	4%
	3,860	1	Plan 1	Model - Interior/Exterior Upgrades	\$1,189,900	\$1,237,900	4%
	3,711	1	Plan 2	Model - Interior/Exterior Upgrades	\$1,121,387	\$1,180,834	5%
	3,813	1	Plan 3	Model - Interior/Exterior Upgrades	\$1,154,023	\$1,211,900	5%
12 Model Units (note Plan 3 of the Sheldon product does not include a model home)							
SUMMARY OF EACH PRODUCT'S PRODUCTION HOMES UNDER CONSTRUCTION							
Sheldon/Standard Pacific Corp.	12			Wrapped with roofs loaded			
	19			Framing			
	16						
Huntley/Brookfield Residential	7			Color coat with roofs under construction			
	7			Brown stucco coat			
	14			Framing			
Crawford/Standard Pacific Corp.	6			Brown stucco coat			
	6			Wrapped with roofs loaded			
	16			Framing			
Stafford/Standard Pacific Corp.	2			Color coat with roofs under construction			
	6			Wrapped with roofs loaded			
	5			Brown stucco coat			
	15			Framing			
	8			Slabs			
123 Production homes under unit construction							

2015. The Central submarket had average quarterly sales per project of 8.6 units, similar to the first quarter 2015. Over the last 12 months, the Central submarket reported 1,702 closings compared to 1,661 for the 12 months ending June 2014, a 2.5% increase. The annual (12-month) closing rate per subdivision stabilized at 26.2 units per year in Q2 2015 compared to 29.7 units per year in Q2 2014, representing an 11.7% decrease.

The median detached sales price in the Central submarket has remained stable, increasing from \$941,900 in Q2 2014 to \$945,100 in Q2 2015. The attached sales price increased significantly from \$602,500 one year ago to \$775,000 in Q2 2015, a 28.6% increase. The median detached unit size decreased 9.1% from 2,076 square feet to 1,888 square feet. The attached median size decreased 13.8% from 1,704 square feet to 1,500 square feet. The median price per square foot for a detached dwelling increased from \$438 to \$445 over the past 12 months. This is the second highest price per square foot sub-market in Orange County. The attached dwelling units increased in median price per square foot from \$332 to \$367 in Q2 2015, a 10.6% increase in price per square foot.

During the second quarter of 2015, the subject's submarket sold 3 detached homes priced between \$500,000 and \$599,999; 23 detached homes priced between \$600,000 and \$699,999; 91 detached homes priced between \$700,000 and \$799,999 and 371 homes priced over \$800,000 were sold. There were 187 attached units that sold in the subject's submarket in the second quarter of 2015. Of those, 32 units were priced between \$400,000 and \$499,999; 94 were priced between \$500,000 and \$599,999, 33 were priced between \$600,000 and \$699,999; and 38 were priced between \$700,000 and \$799,999.

Within the Central submarket there are 57 active detached projects and 21 active attached products at the end of Q2 2015. This is 10 more than the end of Q2 2014 for detached products and five more for attached products. The subject's submarket area reports 199 detached units as built, but unsold, inventory units and 514 unsold units under construction. This is a 5.1± month absorption time for the completed dwellings and units under construction. Total inventory, which includes units built, under construction and model homes totals 802 units which equates to a 5.7 month supply at the current sales rate. One year ago total detached inventory was at 881 units, and the absorption time based on last year's sales rate was 6.4 months. While total inventory decreased 9%, absorption time decreased 10.9% or 0.7 months.

Feasibility

The financial feasibility of the development of the subject property is based on its ability to generate sufficient income and value in excess of the costs to develop the property to its highest and best use. Please refer to the Valuation section of the original appraisal report found on pages 61 through 88, which gives support to the financial feasibility of the 375 proposed dwellings of CFD No. 2014-1, as of June 1, 2015.

As discussed in the original report, of the 375 proposed dwelling units, there were 12 completed model homes and 13 dwellings under construction, in the early first floor framing stage. The balance of the District consisted of 350 blue-top lots and physically finished lots, of which 17 had foundations under construction. As previously discussed in this updated appraisal report, as of September 1, 2015, a total of 123 production homes were under unit construction ranging from slabs to color coat with roof under construction. All four products expect escrow closing to individual homeowners to begin in November 2015. All four products have met with very good market demand. Since opening end of May 2015, the four products are selling between their 4th and 6th phases of development. Sales prices have continued to increase with each phase release.

Valuation of Model Homes and Dwellings Under Construction

As previously discussed, the four products offered within CFD No. 2014-1 entered into an active sales program on May 30, 2015. All four products have met with good market acceptance. There are 3 model homes completed with upgraded interior features and landscape and hardscape for each product. There is not a model home for Plan 3 of the Sheldon product. In addition to the 12 model homes, there are 123 dwelling units under construction from slabs to color stucco coat with roofs under construction. The Sheldon product has 21 dwellings under construction, Stafford product has 36 dwellings under construction, Crawford product has 38 dwellings under construction and the Huntley product has 28 dwellings under construction.

The appraisers have given consideration to the strong but stabilizing market conditions in valuing the dwelling units under construction. For the lots with 8 slabs we have conservatively utilized finished lot values for that particular product. The 64 units that are in the framing stage of construction are valued at 60% of completion. The 24 units wrapped with roofs loaded and 18 units improved with brown stucco coat are estimated at 65% completion. The nine units improved with color coat and roofs under construction are valued at 70% of completion. The estimated completion is applied to the average base sales price for each product.

The model homes have upgrades and options as well as landscape and hardscape. However, there are costs associated with converting the model home to a ready to sell condition. We have estimated 110% of base market value for the model homes based on their floor plan. The table on the following page summarizes the 123 units under construction and 12 model homes within the four actively selling products.

The estimated Market Value for the 12 model homes and 95 dwellings under unit construction under the ownership of the developer, Standard Pacific Corporation, is \$71,388,187, rounded to \$71,388,000. The 28 dwellings under unit construction under the ownership of the builder, Brookfield Huntley 77 LLC, is \$16,827,195, rounded to \$16,827,000. The following section of this report will value the 97 physically finished lots and 143 blue-top lots under the ownership of Standard Pacific Corporation.

City of Tustin CFD No. 2014-1
GREENWOOD IN TUSTIN LEGACY
Valuation of Model Homes and Dwellings under Vertical Construction

Product and Builder	Unit Size	# of DUs	Plan	Description of Dwelling Unit Condition	Base Sales Price 9/1/2015	Est. Percent Complete	Estimated Value
Model Homes							
Sheldon/Standard Pacific Corp.	1,860	1	Plan 1	Model - Interior/Exterior Upgrades	\$716,900	110%	\$788,590
	2,171	1	Plan 2	Model - Interior/Exterior Upgrades	\$781,900	110%	\$860,090
	2,343	1	Plan 3X	Model - Interior/Exterior Upgrades	\$831,900	110%	\$915,090
	2,124	12	Averages	Wrapped with roofs loaded	\$776,400	80%	\$5,590,080
Crawford/Standard Pacific Corp.	2,124	19	Averages	Framing	\$776,400	60%	\$8,850,960
	3,012	1	Plan 1	Model - Interior/Exterior Upgrades	\$1,023,900	110%	\$1,126,290
	3,412	1	Plan 2	Model - Interior/Exterior Upgrades	\$1,094,900	110%	\$1,204,390
	3,612	1	Plan 3	Model - Interior/Exterior Upgrades	\$1,143,900	110%	\$1,258,290
	3,345	6	Averages	Brown stucco coat	\$1,087,600	65%	\$4,241,640
	3,345	6	Averages	Wrapped with roofs loaded	\$1,087,600	60%	\$3,915,360
	3,345	16	Averages	Framing	\$1,087,600	60%	\$10,440,960
	3,880	1	Plan 1	Model - Interior/Exterior Upgrades	\$1,237,900	110%	\$1,361,690
Stafford/Standard Pacific Corp.	3,711	1	Plan 2	Model - Interior/Exterior Upgrades	\$1,180,834	110%	\$1,288,917
	3,813	1	Plan 3	Model - Interior/Exterior Upgrades	\$1,211,900	110%	\$1,333,090
	3,804	2	Averages	Color coat with roofs under construction	\$1,210,200	70%	\$1,694,280
	3,804	6	Averages	Wrapped with roofs loaded	\$1,210,200	60%	\$4,356,720
	3,804	5	Averages	Brown stucco coat	\$1,210,200	65%	\$3,933,150
	3,804	15	Averages	Framing	\$1,210,200	60%	\$10,891,800
	3,804	8	Fin. Lot Value	Slabs	\$527,000	Fin. Lot	\$4,216,000
	2,597	1	Plan 1	Model - Interior/Exterior Upgrades	\$913,000	110%	\$1,004,300
Huntley/Brookfield Residential	2,839	1	Plan 2	Model - Interior/Exterior Upgrades	\$948,000	110%	\$1,042,800
	3,008	1	Plan 3	Model - Interior/Exterior Upgrades	\$967,000	110%	\$1,063,700
Standard Pacific Corp. Ownership:		107					\$71,388,187
Huntley/Brookfield Residential	2,815	7	Averages	Color coat with roofs under construction	\$942,700	70%	\$4,619,230
	2,815	7	Averages	Brown stucco coat	\$942,700	65%	\$4,289,285
	2,815	14	Averages	Framing	\$942,700	60%	\$7,918,680
Brookfield Huntley 77 LLC Ownership:		28					\$16,827,195
Total Estimated Value for 123 Units Under Construction and 12 Model Homes:							\$88,215,382

Valuation of Finished Lots

The District is a developed parcel with lots ranging from a blue-top lot condition to a finished lot condition. Final Tract Map No. 17057 is approved for development of 375 single family detached units. The four products include a courtyard product and three traditional detached products on lots ranging from 2,400 square feet to 5,250 square feet. The finished lots are valued by both the Direct Comparison Approach and Static Residual Analysis.

Direct Comparison Approach

Please refer to pages 67 through 72 of the original appraisal report for the discussion and analyses of the finished lot values by the Direct Comparison Approach. There have not been any material changes to the data or analyses included in the original appraisal report, other than the recent sale of 28 of the subject lots from Standard Pacific Corp. to Brookfield Huntley 77 LLC.

The 28 lots are within the Huntley product with minimum lot sizes of 3,772 square feet. Within the original appraisal report, the estimated finished lot value range for this product was between \$360,000 and \$460,000 per lot. According to the quitclaim deed recorded on August 28, 2015, the subject lots sold for \$431,000 per lot.

Due to the limited comparable land sales and changing market conditions, the Static Residual Analysis was also used to estimate finished lot values. As of the original date of value, June 1, 2015, the subject products had just opened for sales and actual market response had not been tested. The results of both the Direct Comparison Approach and the Static Residual Analysis are considered in estimating finished lot values for the 240 lots within CFD No. 2014-1.

Static Residual Analysis

The purpose of this analysis is to estimate a value for the land assuming no direct construction has taken place. This method is particularly helpful when development for a subdivision represents the highest and best use and when competitive house sales are available. Reportedly, this analysis is by far the most commonly used by merchant builders when determining price for land. Please refer to pages 73 through 79 of the original appraisal report for the discussion and analyses of the finished lot values by the Static Residual Analysis, as of June 1, 2015.

In general, the analysis remains the same as that presented in the original appraisal report, with the exception of the increase in sales prices for all four products. As discussed, this valuation is as of September 1, 2015, at which time the four products have been in an active sales program for three months. Please refer to page 8 of this updated appraisal report which summarizes the base sales prices for each floor plan as of June 1, 2015 and the reported base sales prices as of September 1, 2015. As illustrated the sales prices have increased between 3% and 9% per floor plan, averaging between 5% and 6%.

The Sheldon product, in general, has increased in price by 9%. As of the current date of value, 48 homes have been released for sale and 48 are reported as sold. The overall absorption rate is 15.5 units per month. The Sheldon product is in its 6th phase of 10 phases. In total, 103 units are planned for the Sheldon product. Due to the continued unit construction, only 69 lots do not include vertical construction as of the current date of value.

The Huntley product has increased in price between 3% and 6%, depending on floor plan. As of September 1, 2015, 28 homes have been released for sale and 20 are reported as sold. The absorption rate is 6.5 units per month. The Huntley product is in its 4th phase of 11 phases. In total, 77 units are planned for the Huntley product. Due to the continued unit construction, only 46 lots do not include vertical construction as of the current date of value.

The Crawford product has increased in sales price by 4%. As of the current date of value, 34 homes have been released for sale and of those 24 are reported as sold. The indicated absorption rate is 7.8 units per month. The Crawford product is in its 5th phase of 16 phases. In total, 99 units are planned for the Crawford product. Due to the continued unit construction, only 68 lots do not include vertical construction as of the current date of value.

The largest and most expensive product, Stafford, has released 33 homes for sale and 20 are reported as sold as of September 1, 2015. The absorption over the 3 month timeframe is 6.5 units per month. Two floor plans have increased in price by 5%, the third plan by 4%. The Stafford product is in its 6th phase of 15 phases. In total, 96 units are planned for the Stafford product. Due to the continued unit construction, only 57 lots do not include vertical construction as of the current date of value.

The Static Residual Analysis is useful for projects that will have a typical holding period of one to two years which represents the typical holding period anticipated by merchant builders. Based on the number of proposed units and current absorption rates, the subject products should sell-out within a one year holding period or less. Even if overall absorption rates should moderate, but assuming economic conditions remain relatively similar, the products should sell out well within the two year holding period. As discussed more thoroughly within the original appraisal report, the Static Residual Analysis best replicates the investor's analysis when determining what can be paid for the land based on proposed product. Specific product information is available, which makes this analysis particularly meaningful.

Please refer to the following four pages which illustrate the Static Residual Analyses for each product as of the current date of value, September 1, 2015. The only changes to the current analyses are for the current base sales price per floor plan for each product and the lower profit margin for the fewer number of lots and related decrease in holding time and risk. Please refer to page 18 of this report for a summary

SHELDON Standard Pacific Corp. Estimated Finished Lot Value			
Plan No.	Size	Base Price	
1	1,860	\$716,900	
2	2,171	\$781,900	
3	2,122	\$774,900	
4	2,343	\$831,900	
Average	2,124	\$776,400	
Incentives		-\$15,000	
Net Base S/P		\$761,400	
Sheldon by Standard Pacific Courtyard 103 Proposed Units			Land Ratios
Average Retail Value of Improvements		\$761,400	\$358.47 (Per sq. ft.)
Average Dwelling Size (Sq. Feet)	2,124		
Direct Building Cost Per Sq. Ft.	\$73.00	\$155,052	
Indirect Construction Costs	2.00%	\$15,228	
General & Administrative Costs	5.00%	\$38,070	
Marketing and Warranty Costs	7.00%	\$53,298	
Builder's Profit	7.00%	\$53,298	
Interest During Holding Period	6.00%	\$45,684	
Costs to bring to Finished Lot		None	
Finished Lot Value Estimate		\$400,770	
Rounded to:		\$401,000	
			Finished Lot 0.53

Huntley Brookfield Residential Estimated Finished Lot Value			
Plan No.	Size	Base Price	
1	2,597	\$913,000	
2	2,839	\$948,000	
3	3,008	\$967,000	
Average	2,815	\$942,667	
Incentives		-\$20,000	
Net Base S/P		\$922,667	
Single Family Detached			Land
3,772 SF Minimum Lots			<u>Ratios</u>
77 Proposed Units			
Average Retail Value of Improvements		\$922,667	\$327.81 (Per sq. ft.)
Average Dwelling Size (Sq. Feet)	2,815		
Direct Building Cost Per Sq. Ft.	\$73.00	\$205,471	
Indirect Construction Costs	2.00%	\$18,453	
General & Administrative Costs	5.00%	\$46,133	
Marketing and Warranty Costs	7.00%	\$64,587	
Builder's Profit	7.00%	\$64,587	
Interest During Holding Period	6.00%	\$55,360	
Costs to bring to Finished Lot		<u>None</u>	
Finished Lot Value Estimate		\$468,076	
Rounded to:		\$468,000	
			Finished Lot 0.51

CRAWFORD Standard Pacific Corp. Estimated Finished Lot Value			
Plan No.	Size	Base Price	
1	3,012	\$1,023,900	
2	3,412	\$1,094,900	
3	3,612	\$1,143,900	
Average	3,345	\$1,087,567	
Incentives		-\$30,000	
Net Base S/P		\$1,057,567	
Single Family Detached			Land
5,000 SF Minimum Lots - alley loaded			<u>Ratios</u>
99 Proposed Units			
Average Retail Value of Improvements		\$1,057,567	\$316.13 (Per sq. ft.)
Average Dwelling Size (Sq. Feet)	3,345		
Direct Building Cost Per Sq. Ft.	\$75.50	\$252,573	
Indirect Construction Costs	2.00%	\$21,151	
General & Administrative Costs	5.00%	\$52,878	
Marketing and Warranty Costs	7.00%	\$74,030	
Builder's Profit	8.00%	\$84,605	
Interest During Holding Period	6.00%	\$63,454	
Costs to bring to Finished Lot		<u>None</u>	
Finished Lot Value Estimate		\$508,875	
Rounded to:		\$509,000	
			Finished Lot 0.48

STAFFORD Standard Pacific Corp. Estimated Finished Lot Value			
Plan No.	Size	Base Price	
1	3,880	\$1,237,900	
2	3,700	\$1,180,834	
3	3,831	\$1,211,900	
Average	3,804	\$1,210,211	
Incentives		-\$30,000	
Net Base S/P		\$1,180,211	
Single Family Detached			Land Ratios
5,250 SF Minimum Lots			
96 Proposed Units			
Average Retail Value of Improvements	\$1,180,211	\$310.28 (Per sq. ft.)	
Average Dwelling Size (Sq. Feet)	3,804		
Direct Building Cost Per Sq. Ft.	\$75.50	\$287,177	
Indirect Construction Costs	2.00%	\$23,604	
General & Administrative Costs	5.00%	\$59,011	
Marketing and Warranty Costs	7.00%	\$82,615	
Builder's Profit	9.00%	\$106,219	
Interest During Holding Period	6.00%	\$70,813	
Costs to bring to Finished Lot		<u>None</u>	
Finished Lot Value Estimate		\$550,773	
Rounded to:		\$551,000	
		Finished Lot 0.47	

of the estimated finished lot value range indicated by the Direct Comparison Approach and the Static Residual Analysis. In general, the current higher finished lot values by the Static Residual Analyses are within the range indicated by the Direct Comparison Approach with the exception of the Sheldon product. The summary finished lot values on page 18 of this report also includes our concluded finished lot value for each product.

Conclusion of Finished Lot Values

The following table summarizes the conclusions of finished lot values by the Direct Comparison Approach, the Static Residual Analysis and the concluded finished lot value. The conclusions by the Direct Comparison Approach are below the indicated values by the Static Residual Analysis. This is due to the fewer number of lots per product as of the September 1, 2015 date of value. The Direct Comparison Approach is more indicative of a typical holding period of a merchant builder that would include more lots. Due to the continuing changes in the residential market, specific currently selling product information available and limited current land sales, we have given more consideration to the results of the Static Residual Analysis.

Finished Lot Value Conclusions					
Product/Builder	Direct Comparison Approach	Minimum Lot Size	Static Residual Analysis	Finished Lot Ratio	Concluded Lot Value
Sheldon/Standard Pacific Homes	\$290,000-\$360,000	Courtyard 2,400 SF	\$401,000	53%	\$400,000
Huntley/Brookfield Residential	\$360,000-\$460,000	3,772 SF	\$468,000	51%	\$468,000
Crawford/Standard Pacific Homes	\$415,000-\$485,000	5,000 SF	\$509,000	48%	\$510,000
Stafford/Standard Pacific Homes	\$485,000-\$530,000	5,250 SF	\$551,000	47%	\$550,000

"As Is" Land Value - 240 Lots

The District is a developed parcel with site condition ranging from a blue-top lot condition to a physically finished lot condition as of the date of value. The preceding section valued the four merchant builder parcels assuming a finished lot condition. To arrive at an estimate of value for the "as is" condition of the land, a deduction for the costs associated with development of the land from its current condition to a finished lot condition is required. Please refer to pages 80 and 81 of the original appraisal report which illustrates the "as is" value for the 350 lots as of June 1, 2015.

As of the current date of value, an additional 110 lots have vertical construction underway and have been valued in a preceding section of this report. The 110 lots are

included in the 123 lots under construction valued on page 11 of this report. A deduction of the costs to complete as of September 1, 2015 is made to arrive at an estimate of value for the 240 lots within the District without vertical construction. Site costs have been provided by the developer, Standard Pacific Corporation and a summary is included in the Addenda of this report. The site improvement costs include all direct and indirect construction costs associated with improving the land to finished lots. None of the CFD bond proceeds are paid to the developer. Please refer to the following table which summarizes the finished lot values per product with the deductions for the associated cost of site development to arrive at an estimate of value for the "as is" condition of the land.

**Estimated "As Is" Merchant Builder Land Value
240 Lots Without Vertical Construction**

Product Name	No. Units	Finished Lot Value	Parcel Value
Sheldon Product	69	\$400,000	\$27,600,000
Huntley Product	46	\$468,000	\$21,528,000
Crawford Product	68	\$510,000	\$34,680,000
Stafford Product	57	\$550,000	<u>\$31,350,000</u>
Total Finished Lot Value - 240 Lots:			\$115,158,000
Less Remaining Site Costs:			<u>(\$25,211,996)</u>
"As Is" Land Value-240 Lots:			\$ 89,946,004
Rounded:			\$ 90,000,000

Developmental Analysis

Within the original appraisal report, on pages 82 through 87, is the discussion and analysis as of June 1, 2015 for the 350 lots that did not have unit construction. As of the June 1, 2015 date of value, there were 12 model homes completed and 13 lots with units under construction. As previously discussed in this updated appraisal report an additional 110 lots are under unit construction as of the current date of value. The 12 model homes and 123 lots with units under construction have been previously appraised in this report. This developmental analysis will be for the remaining 240 lots in physically finished lot condition and blue-top lot condition as of September 1, 2015.

Standard Pacific Corporation has provided a summary of the site costs for the remaining infrastructure improvements for the District. The costs are for the entire Tustin Legacy backbone costs and for the products of Sheldon, Crawford and Stafford. Brookfield Homes as also provided a summary of their costs for Huntley. The costs include permits and fees for land development and remaining site work. *It is a specific assumption and contingency of this appraisal that the costs provided are all of the remaining site costs associated with bringing the 240 lots to a finished lot condition,*

ready to issue a building permit. The proceeds from the sale of bonds for CFD No. 2014-1 are estimated at \$15,000,000± which will be paid directly to the City of Tustin for infrastructure improvements. The total development costs to bring the land to finished lot condition are approximately \$80,592,341 which equates to approximately \$214,913 per dwelling unit. Of those costs, reportedly \$55,380,345± have been spent to date. Therefore, an additional \$25,212,000 of costs remain to be spent to bring the land from its "as is" condition as of September 1, 2015 to a finished site condition ready to issue building permits.

The Developmental Analysis for estimating value is based upon the premise that one would not pay more for land and improvements than its contributory value to the economic enterprise of developing the parcel into single-family homes. It essentially treats land as one of the raw materials required for developing a subdivision. If one is able to prepare a reasonably reliable forecast of the related prices of the end-product and identify all the costs and required profit margin, what is residual or left over is what is available to acquire the property. In the case of the subject property, the residual value indicated by this discounted cash flow reflects the "as is" condition of the lots without site construction. The steps in the Developmental Analysis are discussed in the original appraisal report. The following paragraphs briefly discuss the analyses for the Developmental Analysis.

The Developmental Analysis considers the development of the land as is currently proposed by Standard Pacific Corporation and Brookfield Residential. The analysis and estimated value conclusion also assumes the sale of bonds from CFD No. 2014-1, of which bond proceeds of approximately \$15,000,000± will be paid to the City of Tustin for public infrastructure improvements.

Proposed Product

Within the Highest and Best Use section of the original report, market demand was discussed. The current proposed product for the subject's planned community is within the current demand range. The proposed unit mix has been provided by Standard Pacific Corp. and it appears reasonable.

Absorption

The Updated Empire Economics report dated September 21, 2015, 80 dwelling unit closing in 2015 compared to the 37 closings estimated in the original appraisal report. The Updated Empire Economics report also reflects the current base selling prices and monthly absorption of 2.5 to 4.2± dwelling units per product per month. This represents a 2 1/2± year absorption period. The discounted cash flow also assumes completion of site construction in a timely manner to meet market demand of the units. The discounted cash flow includes absorption of the 240 lots without vertical construction. Consideration is given to the absorption of the 123 units under construction as of the updated date of value.

Therefore, absorption of the lots begins after the absorption of the units under construction.

Site Development Costs

As of the date of value, approximately \$25,212,000 remains to be spent for site construction to bring all of the land within the District to a finished lot condition. The proceeds from the sale of bonds for City of Tustin CFD No. 2014-1 are to be paid to the City of Tustin for infrastructure improvements and future school facilities. At the time of this appraisal report those proceeds are estimated around \$28,000,000±.

Dwelling Unit Costs

The subject property is proposed for four products ranging from courtyard homes with an average size of 2,124 square feet to traditional detached dwellings on a minimum lot size of 5,250 square feet and average home size of 3,804 square feet. The direct and indirect construction costs have been provided by the developer, Standard Pacific Corporation and appear reasonable and supportable by the market. The direct costs per square foot range from \$73.00 for the Sheldon and Huntley products to \$75.50 per square foot for the Crawford and Stafford products. Indirect costs are estimated at \$6.00 per square foot.

Marketing

Marketing and sales expenses are estimated at 7% of gross revenue. This category covers such expenses as advertising, sales commissions and warranty costs. These expenses are realized at the time of sale.

General and Administrative

General and administrative costs are estimated at 5%. This category covers such expenses as administrative, professional fees, taxes, HOA dues and miscellaneous costs. These expenses are realized at the time of sale.

Inflation Factor

For purposes of the discounted cash flow analysis, we have used constant dollars. We are of the opinion that in light of today's stabilizing market, a prudent investor would not inflate revenue in their discounted cash flow analysis.

Discount Rate

The final step in our discounted cash flow analysis is to estimate the appropriate discount rate in light of uncertainties and risks. There are various factors which go into selecting a discount rate for a planned community such as the subject. Typically, when valuing a property, we assume an all cash transaction and then discount for time, risk and required profit margin. A publication from the Real Estate Research Corporation indicates the rate of return for a land investment assuming a three-to-five year holding period is 20% of gross sales.

To estimate a discount rate appropriate for the subject property, we have begun with a safe rate that has averaged between 3% and 5% over time. During normal market conditions, improved real estate investments have had a risk rate between 1.25 and 2.5 times the safe rate, while vacant or subdivision land has had a risk rate between 3 and 5 times the safe rate. Inflation more recently has been minimal, while near term projections are around 3%. For the subject we have assumed a safe rate of 4%, a real estate risk rate of 3.5 times the safe rate and inflation of 3%, the indicated discount rate is: $(4\% \times 3.5) + 3\% = 17\%$.

Based on the good location of CFD No. 2014-1 with public infrastructure improvements complete, employment and retail developments nearby, we have concluded with a discount rate of 18% for the subject property. The site is entitled for the proposed uses and proposed products are within the market demand range. The site is under construction and the time-line for the sale of the merchant builder site and unit absorption are considered reasonable and supported. Please refer to the following page which illustrates the discounted cash flow analysis for the "as is" value of the 240 lots within CFD No. 2014-1.

Conclusion of Market Value for 240 Lots within CFD No. 2014-1

The Developmental Analysis indicates an "As Is" value estimate of \$90,000,000 for the 240 lots. The estimated value by Direct Comparison of merchant builder land sales and the Static Residual Analysis is \$90,000,000 for the 240 lots. The District is proposed for 375 detached single family dwellings with completion of site grading to a blue-top lot condition to a physically finished lot condition with 12 model homes and 123 dwellings in various stages of unit construction ranging from slabs to color stucco coat with roof under construction. The 123 production dwellings and 12 model homes are not included in the valuation of the land. It is our opinion that the results of the Development Analysis are the most reliable in valuing the property under site construction. Giving greatest emphasis to the discounted cash flow, the estimated "As Is" Market Value for the 240 lots in CFD No. 2014-1 is \$90,000,000.

Ms. Arends-King
September 24, 2015
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CITY OF TUSTIN
DEVELOPMENTAL ANALYSIS
Standard Pacific Corp.

Product Description	Average Base Price/Dwelling	No. Dwellings	Sep-15	Oct-Mar 2016	Apr-Sept 2016	Oct-Mar 2017	Apr-Sept 2017	Oct-Mar 2018	Total
Sheldon Product	\$0	0	0	0	0	0	0	0	0
Huntley Product	\$0	0	0	0	0	0	0	0	0
Crawford Product	\$1,057,567	68	0	0	0	0	0	0	0
Stafford Product	\$1,180,211	57	0	0	0	0	0	0	0
Total Sold Dwelling Units		240	0	0	0	0	0	0	240
Unsold Dwelling Units Per Semi-Annual Period				4	74	75	62	25	
			236	162	87	25	0		
Revenue/Product									
Sheldon Product	\$0	\$0	\$0	\$2,119,200	\$16,750,800	\$14,486,600	\$0	\$0	\$52,536,600
Huntley Product	\$0	\$0	\$0	\$2,121,341	\$16,608,006	\$4,613,335	\$0	\$0	\$42,442,682
Crawford Product	\$1,057,567	68	\$0	\$71,915,652	\$17,430,500	\$10,575,000	\$0	\$0	\$101,921,154
Stafford Product	\$1,180,211	57	\$0	\$6,861,477	\$20,863,587	\$21,243,798	\$17,703,165	\$0	\$67,272,027
TOTAL REVENUE (Constant Dollars)			\$0	\$4,230,268	\$57,723,090	\$72,458,599	\$51,475,073	\$28,278,835	\$234,155,865
Expenses									
Inflation factor of 0% annually - Revenues	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	
Inflation factor of 0% annually - Costs	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	
Direct & Indirect Dwelling Unit Costs - Sheldon Product			\$0	\$4,698,288	\$3,891,512	\$3,188,124	\$0	\$0	\$11,577,924
Direct & Indirect Dwelling Unit Costs - Huntley Product			\$0	\$5,114,655	\$4,002,930	\$1,111,925	\$0	\$0	\$10,229,710
Direct & Indirect Dwelling Unit Costs - Crawford Product			\$0	\$1,035,780	\$5,148,500	\$5,418,500	\$2,709,000	\$0	\$13,281,780
Direct & Indirect Dwelling Unit Costs - Stafford Product			\$0	\$2,155,868	\$5,238,108	\$5,546,332	\$4,621,860	\$0	\$17,553,068
Costs to bring to Finished Site Condition - \$25,212,000			\$0	\$25,212,000	\$0	\$0	\$0	\$0	\$25,212,000
Less G & A Costs @ 5%			\$0	\$211,513	\$3,368,155	\$3,622,930	\$3,073,754	\$1,413,942	\$11,708,293
Less Marketing Costs @ 7%			\$0	\$296,119	\$4,740,616	\$5,072,102	\$4,303,255	\$1,979,518	\$16,391,611
Plus CFD Reimbursements			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses			\$0	\$26,803,412	\$24,431,802	\$26,504,592	\$22,642,190	\$10,724,770	\$111,106,866
Net Before Discounting			\$0	(\$22,573,144)	\$43,291,188	\$45,954,007	\$38,832,883	\$17,554,065	\$123,068,999
Present Worth Factor at 18%			1.000000	\$16,161,651	\$28,708,950	\$24,787,933	\$20,549,850	\$16,898,810	\$96,132,077
AS IS VALUE			\$0	(\$20,703,307)	\$36,437,327	\$35,464,325	\$27,576,164	\$11,465,538	\$90,132,077
Rounded To				\$90,000,000					

Ms. Arends-King
September 24, 2015
Page 24

Conclusion of Market Value for 375 Dwellings and Lots within CFD No. 2014-1

To arrive at a total value for the District in its current site and unit condition the additional value for the 12 completed and upgraded model homes and 123 dwellings under construction must be included. Please refer to the following calculations for the "As Is" Market Value estimate of CFD No. 2014-1 for the Standard Pacific Corp. ownership and Brookfield Huntley 77 LLC ownership as of September 1, 2015.

Standard Pacific Corp.

Estimated Value for 240 lots under site construction:	\$ 90,000,000
Estimated Value for 12 completed model homes:	\$ 13,257,000
Estimated Value for 95 dwellings under construction:	\$ 58,131,000
	\$161,388,000

Brookfield Huntley 77 LLC

Estimated Value for 28 dwellings under construction:	\$ 16,827,000
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Total Estimated Market Value for CFD No. 2014-1:	\$178,215,000
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The total estimated Market Value for CFD No. 2014-1 was \$140,800,000 as of June 1, 2015. Based on the current information contained in this updated appraisal report, the estimated Market Value for CFD No. 2014-1 as of September 1, 2015 is \$178,215,000.

Certification

We hereby certify that during the completion of this assignment, we personally inspected the property that is the subject of this appraisal and that, except as specifically noted:

We have no present or contemplated future interest in the real estate or personal interest or bias with respect to the subject matter or the parties involved in this appraisal.

We have provided appraisal services regarding the subject property within the last three years to our client, the City of Tustin.

To the best of our knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results. The compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice and the California Debt and Investment Advisory Commission (CDIAC).

As of the date of this report, James B. Harris has completed the requirements of the continuing education program of the Appraisal Institute.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.

No one provided significant real property appraisal assistance to the persons signing this certificate.

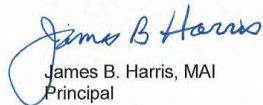
The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. In furtherance of the aims of the Appraisal Institute to develop higher standards of professional performance by its Members, we may be required to submit to authorized committees of the Appraisal Institute copies of this appraisal and any subsequent changes or modifications thereof.

ADDENDA

Respectfully submitted,



Berri Cannon Harris
Principal
AG009147



James B. Harris, MAI
Principal
AG001846

**QUALIFICATIONS
OF
JAMES B. HARRIS, MAI**

PROFESSIONAL BACKGROUND

Actively engaged as a real estate analyst and consulting appraiser since 1971. Principal of **Harris Realty Appraisal**, with offices at:

5100 Birch Street, Suite 200
Newport Beach, California 92660

Before forming Harris Realty Appraisal, in 1982, was employed with Real Estate Analysts of Newport, Inc. (REAN) as a Principal and Vice President. Prior to employment with REAN was employed with the Bank of America as the Assistant Urban Appraisal Supervisor. Previously, was employed by the Verne Cox Company as a real estate appraiser.

PROFESSIONAL ORGANIZATIONS

Member of the Appraisal Institute, with MAI designation No. 6508
Director, Southern California Chapter – 1998, 1999
Chair, Orange County Branch, Southern California Chapter -1997
Vice-Chair, Orange County Branch, Southern California Chapter - 1996
Member, Region VII Regional Governing Committee - 1991 to 1995, 1997, 1998
Member, Southern California Chapter Executive Committee - 1990, 1997 to 1999
Chairman, Southern California Chapter Seminar Committee - 1991
Chairman, Southern California Chapter Workshop Committee - 1990
Member, Southern California Chapter Admissions Committee - 1983 to 1989
Member, Regional Standards of Professional Practice Committee -1985 - 1997

Member of the International Right-of-Way Association, Orange County Chapter 67.

California State Certified Appraiser, Number AG001846

EDUCATIONAL ACTIVITIES

B.S., California State Polytechnic University, Pomona.

Successfully completed the following courses sponsored by the Appraisal Institute and the Right-of-Way Association:

Course I-A	Principles of Real Estate Appraisal
Course I-B	Capitalization Theory
Course II	Urban Properties
Course IV	Litigation Valuation
Course VI	Investment Analysis
Course VIII	Single-Family Residential Appraisal
Course SPP	Standards of Professional Practice
Course 401	Appraisal of Partial Acquisitions

Has attended numerous seminars sponsored by the Appraisal Institute and the International Right-of-Way Association.

QUALIFICATIONS

HARRIS REALTY APPRAISAL
5100 Birch Street, Suite 200
Newport Beach, CA 92660
(949) 851-1227

TEACHING AND LECTURING ACTIVITIES

Seminars and lectures presented to the Appraisal Institute, the University of California-Irvine, UCLA, California Debt and Investment Advisory Commission, Stone & Youngberg and the National Federation of Municipal Analysts.

MISCELLANEOUS

Member of the Advisory Panel to the California Debt and Investment Advisory Commission, regarding Appraisal Standards for Land Secured Financing (March 2003 through June 2004)

LEGAL EXPERIENCE

Testified as an expert witness in the Superior Court of the County of Los Angeles and the County of San Bernardino and in the Federal Bankruptcy Courts five times concerning the issues of Eminent Domain, Bankruptcy, and Specific Performance. He has been deposed numerous times concerning these and other issues. This legal experience has been for both Plaintiff and Respondent clients. He has prepared numerous appraisals for submission to the IRS, without having values overturned. He has worked closely with numerous Bond Counsel in the completion of 175 Land Secured Municipal Bond Financing appraisals over the last five years.

SCOPE OF EXPERIENCE

Feasibility and Consultive Studies

Feasibility and market analyses, including the use of computer-based economic models for both land developments and investment properties such as shopping centers, industrial parks, mobile home parks, condominium projects, hotels, and residential projects.

Appraisal Projects

Has completed all types of appraisal assignments from San Diego to San Francisco, California. Also has completed out-of-state appraisal assignments in Arizona, Florida, Georgia, Hawaii, Nevada, New Jersey, Oklahoma, Oregon, and Washington.

Residential

Residential subdivisions, condominiums, planned unit developments, mobile home parks, apartment houses, and single-family residences.

Commercial

Office buildings, hotels, motels, retail store buildings, restaurants, power shopping centers, neighborhood shopping centers, and convenience shopping centers.

Industrial

Multi-tenant industrial parks, warehouses, manufacturing plants, and research and development facilities.

Vacant Land

Community Facilities Districts, Assessment Districts, master planned communities, residential, commercial and industrial sites; full and partial takings for public acquisitions.

QUALIFICATIONS OF BERRI CANNON HARRIS

PROFESSIONAL BACKGROUND

Actively engaged as a real estate appraiser since 1982. Principal of **Harris Realty Appraisal**, with offices at:

5100 Birch Street, Suite 200
Newport Beach, California 92660

Before joining Harris Realty Appraisal was employed with Interstate Appraisal Corporation as Assistant Vice President. Prior to employment with Interstate Appraisal was employed with Real Estate Analysts of Newport Beach as a Research Assistant.

PROFESSIONAL ORGANIZATIONS

Appraisal Institute

Co-Chair, Southern California Chapter Hospitality Committee - 1994 - 1998
Chair, Southern California Chapter Research Committee - 1992, 1993

Commercial Real Estate Women (CREW) – Orange County Chapter

Chair, Special Events – 1998 - 2003

Second Vice-President - 1996, 1997

Treasurer - 1993, 1994, 1995

Chair, Network Luncheon Committee - 1991, 1992

California State Certified Appraiser, Number AG009147

EDUCATIONAL ACTIVITIES

B.S., University of Redlands, Redlands, California

Successfully completed the following courses sponsored by the Appraisal Institute:

Principles of Real Estate Appraisal
Basic Valuation Procedures
Capitalization Theory and Techniques - A
Capitalization Theory and Techniques - B
Report Writing and Valuation Analyses
Standards of Professional Practice
Case Studies in Real Estate Valuation

Has attended numerous seminars sponsored by the Appraisal Institute. Has also attended real estate related courses through University of California-Irvine.

LECTURING ACTIVITIES

Seminars and lectures presented to UCLA, California Debt and Investment Advisory Commission, and Stone & Youngberg.

MISCELLANEOUS

Member of the Advisory Panel to the California Debt and Investment Advisory Commission, regarding Appraisal Standards for Land Secured Financing (March 2003 through June 2004)

SCOPE OF EXPERIENCE

Appraisal Projects

Has completed all types of appraisal assignments from San Diego to San Francisco, California. Also has completed out-of-state appraisal assignments in Arizona and Hawaii.

Residential

Residential subdivisions, condominiums, planned unit developments, mobile home parks, apartment houses, and single-family residences.

Commercial

Office buildings, retail store buildings, restaurants, neighborhood-shopping centers, strip retail centers.

Industrial

Multi-tenant industrial parks, warehouses, manufacturing plants, and research and development facilities.

Vacant Land

Residential sites, commercial sites, industrial sites, large multi-unit housing, master planned unit developments, and agricultural acreage. Specializing in Community Facilities District and Assessment District appraisal assignments.

PARTIAL LIST OF CLIENTS

Lending Institutions

Bank of America
Bank One
Commerce Bank
Downey S&L Assoc.
Fremont Investment and Loan
First Los Angeles Bank
Institutional Housing Partners

NationsBank
Preferred Bank
Santa Monica Bank
Tokai Bank
Union Bank
Universal S&L Assoc.
Wells Fargo Bank

Public Agencies

Army Corps of Engineers
California State University
Caltrans
City of Aliso Viejo
City of Beaumont
City of Corona
City of Costa Mesa
City of Encinitas
City of Fontana
City of Fullerton
City of Hemet
City of Hesperia
City of Honolulu
City of Huntington Beach
City of Indian Wells
City of Irvine
City of Lake Elsinore
City of Loma Linda
City of Los Angeles
City of Moreno Valley
City of Newport Beach
City of Oceanside

City of Palm Springs
City of Perris
City of Riverside
City of San Marcos
City of Tustin
City of Victorville
County of Orange
County of Riverside
County of San Bernardino
Eastern Municipal Water District
Orange County Sheriff's Department
Ramona Municipal Water District
Rancho Santa Fe Comm. Services District
Capistrano Unified School District
Hemet Unified School District
Hesperia Unified School District
Romoland School District
Saddleback Valley Unified School District
Santa Ana Unified School District
Val Verde Unified School District
Yucaipa-Calimesa Unified School District

Law Firms

Arter & Hadden
Bronson, Bronson & McKinnon
Bryan, Cave, McPheeters & McRoberts
Richard Clements
Cox, Castle, Nicholson
Gibson, Dunn & Crutcher
Hill, Farrer & Burrill

McClintock, Weston, Benshoof,
Rocheftort & MacCuish
Palmiri, Tyler, Wiener, Wilhelm, & Waldron
Sonnenschein Nath & Rosenthal
Strauss & Troy
Wyman, Bautzer, Rothman, Kuchel &
Silbert

SUMMARY OF SITE COSTS

83410
OCFMRPT
AADC.FJPH

Standard Pacific
Southern Cal Division
Quarterly Budget Analysis
All Offsites & Fees
As of September 01, 2015

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09/14/15
08:54:34

	Original BudgetQtrly Budget as of June	Budget Chg as of September	Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
11619000 Tustin Legacy												
1354 SE Preliminary Investig.												
21101035 SE Preliminary Investig.	0	1,425	1,425	0	1,425	0	0	0	0	0	1,425	0
23050515 SP Well Abandonment	125,000	15,000	15,000	0	15,000	0	15,000	0	0	0	0	0
23051010 SP Light Clearing	112,500	11,850	11,850	0	11,850	0	0	0	0	0	11,850	0
23051505 SP Tree Removals	0	1,472	1,472	0	1,472	0	0	0	0	0	1,472	0
23051515 SP ACP Removals	0	21,000	21,000	0	21,000	0	0	0	0	0	21,000	0
23051565 SP Irrigation Ditch Rem	58,750	14,000	14,000	0	14,000	0	0	0	0	0	14,000	0
23052005 SP Plan 1 Membrane	0	88,040	88,040	0	88,040	0	0	0	0	0	88,040	0
23100505 RG Mobilization	25,000	41,400	41,400	0	41,400	0	0	0	0	0	41,400	0
23101005 RG Dev Coast Water	76,000	85,593	94,459	7,456	94,459	0	7,456	3,311	0	0	86,993	0
23102050 RG Erosion Control	0	7,000	7,000	0	7,000	0	0	0	0	0	7,000	0
23102065 RG Dust Control	0	2,208	2,208	0	2,208	0	0	0	0	0	2,208	0
23102530 RG Mass Excavation	85,565	676,267	676,267	0	676,267	0	0	0	0	0	676,267	0
23102545 RG Over Excavation	1,224,300	0	0	0	0	0	0	0	0	0	0	0
23102575 RG Dewatering	0	22,100	22,100	0	22,100	0	0	0	0	0	22,100	0
23102585 RG Join Existing Grading	82,450	0	50,068	50,068	50,068	1	50,069	0	0	0	0	1
23103535 RG French Drain	0	51,810	51,810	0	51,810	0	0	0	0	0	51,810	0
23103540 RG Outlet Pipe	0	6,800	6,800	0	6,800	0	0	0	0	0	6,800	0
23104545 RG Down Drain Pipe Tras	0	6,600	6,600	0	6,600	0	0	0	0	0	6,600	0
23104565 RG 3' Lof Wall V Ditch	80,600	5,000	5,000	0	5,000	0	0	0	0	0	5,000	0
23105005 RG Rip Rap Pads	0	18,070	18,070	0	18,070	0	0	0	0	0	18,070	0
23105535 RG Pad Finish	0	349,587	349,587	0	349,587	0	1	0	0	0	349,586	0
23105510 RG Slope Finish	0	2,587	2,587	0	2,587	0	0	0	0	0	2,587	0
23105515 RG Slope/Street Finish	509,652	162,747	162,747	0	162,747	0	2	0	0	0	162,745	0
23105545 RG Berm	0	4,800	4,800	0	4,800	0	0	0	0	0	4,800	0
23106505 RG 12" PVC Sch 40	94,000	34,944	34,944	0	34,944	0	0	0	0	0	34,944	0
23106520 RG 6" PVC Sch 40	0	36,520	36,520	0	36,520	0	0	0	0	0	36,520	0
23107510 RG Rough Grade Import	270,000	108,264	108,264	0	108,263	1	0	0	0	0	108,263	0
23108015 RG AB Access Road	0	27,059	27,059	0	27,059	0	0	0	0	0	27,059	0
23108040 RG Excavation Surcharge	1,040,000	663,594	663,594	0	663,594	0	0	0	0	0	663,594	0
23108099 RG Other	297,145	107,783	34,491	73,292	34,491	0	0	0	0	0	34,491	0
23150005 RFP Rough	0	1,046	1,046	0	1,046	0	0	0	0	0	1,046	0
23200010 EX Dump Fee	0	0	4,475	4,475	4,475	0	4,475	0	0	0	0	0
23200020 EX Export Debris	0	434	434	0	434	0	0	0	0	0	434	0
23200022 EX Conc.Washout Export	0	3,400	7,250	3,850	7,250	0	700	1,550	3,150	0	6,550	0
23200025 EX Process Soil Onsite	0	0	197	197	197	0	0	0	0	0	0	0
23200500 EX Street Grade Export	27,013	35,947	71,251	35,314	57,480	13,781	36,774	0	18,866	0	20,706	0
23200505 EX Parkway Export	0	18,233	40,491	22,258	26,193	14,296	702	3,346	3,912	0	25,491	0
23250505 RMG Reprocess Pads	0	736	736	0	736	0	0	0	0	0	736	0
23250509 RMG Regrade Slope	0	368	368	0	368	0	0	0	0	0	368	0
23250511 RMG Regrade Pads	0	8,594	8,594	0	8,594	0	0	0	0	0	8,594	0
23250515 RMG Dam Pads	0	5,860	5,860	0	5,860	0	0	0	0	0	5,860	0
23251005 RMG Knock Down Piles	0	2,150	8,500	6,340	8,500	0	3,960	0	2,380	0	4,540	0
23251099 RMG Other	0	97,751	101,469	3,718	101,469	0	2,758	2,840	6,513	960	98,711	0
23300005 EC Sandbags	0	14,556	14,556	0	14,556	0	0	6,810	0	0	14,556	0
23300010 EC Sandbag Placement Rem	0	1,730	1,730	0	1,730	0	0	1,350	0	0	1,730	0
23300015 EC Silt Fence	0	14,365	14,365	0	14,365	0	0	0	0	0	14,365	0
23300020 EC Snow Fence	0	825	825	0	825	0	0	0	0	0	825	0
23300030 EC Equipment Work	0	0	2,780	2,780	2,780	0	2,780	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	----- Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
23300035 EC Polymer	0	22,559	22,559	0	22,559	0	0	0	0	0	22,559	0
23300050 EC Straw Wattles	0	3,185	3,185	0	3,185	0	0	2,899	0	0	3,185	0
23300060 EC Erosion Storm Damage	0	23,890	99,683	75,793	99,683	0	75,793	1,280	0	0	23,890	0
23300090 EC Erosion Control	172,062	70,295	143,975	73,680	4,364	139,612	1,212	2,367	180	0	3,152	0
23301135 EC Labor	0	17,740	24,125	6,385	24,125	0	8,978	7,800	0	1,728	15,148	0
23301155 EC Truck Use	0	2,712	5,578	2,866	5,578	0	2,700	1,500	166	0	2,678	0
23301600 EC Gravel Pad-Entry	5,000	5,000	0	5,000	0	0	0	0	0	0	0	0
2330175 EC Const.Wash Out Pit	31,632	26,632	19,632	7,000	1,400	18,232	0	0	200	0	1,400	0
23302005 OS Mack Out	0	460	460	0	460	0	0	460	0	0	460	0
24050525 SW Join Existing Stub	3,600	11,700	11,700	0	11,700	0	0	0	0	0	11,700	0
24051005 SW 12" VCP Main	0	14,040	14,040	0	14,040	0	0	0	0	0	14,040	0
24051505 OFFSITE ALLOCATE IN	0	28,245	28,245	0	28,245	0	0	0	0	0	28,245	0
24051510 SW 10" PVC Main	115,200	181,858	181,858	0	181,858	0	0	0	0	0	181,858	0
24051520 SW 8" PVC Main	358,670	233,900	233,900	0	233,900	0	0	6,804	0	0	233,900	0
24053005 SW 6" PVC Lat	630	0	0	0	0	0	0	0	0	0	0	0
24053010 SW 4" PVC Lat	194,280	199,366	199,366	0	199,366	0	0	7,422	0	0	199,366	0
24054020 SW 48" Manhole	185,000	284,800	284,800	0	284,800	0	0	0	0	0	284,800	0
24054505 SW Raise Base MH to Grade	0	2,970	2,970	0	2,970	0	2,970	0	0	0	0	0
24054510 SW Raise Cap MH to Grade	9,450	43,700	43,700	0	43,700	0	33,700	0	10,000	0	10,000	0
24054514 SW Raise Cap CO to Grade	0	12,750	12,750	0	12,750	0	12,750	0	0	0	0	0
24054520 SW End Of Line Cleanout	0	10,500	10,500	0	10,500	0	0	0	0	0	10,500	0
24054530 SW Plug	0	900	900	0	900	0	0	0	0	0	900	0
24054555 SW Teletview Lines	1,500	0	0	0	0	0	0	0	0	0	0	0
24054560 SW Concrete Encasement	0	4,465	4,465	0	4,465	0	0	4,465	0	0	4,465	0
24054599 SW Other	0	189,278	188,378	900	188,379	1	22,218	24,150	25,724	0	166,161	0
24100505 SD Join & Backfill	3,000	4,800	4,800	0	4,800	0	0	0	0	0	4,800	0
24100570 SD Brick & Mortar Plug	10,150	9,900	9,900	0	9,900	0	0	0	0	0	9,900	0
24100575 SD Remove Plug & Join	0	6,000	6,000	0	6,000	0	0	0	0	0	6,000	0
24101005 SD 18" RCP	180,318	0	0	0	0	0	0	0	0	0	0	0
24101010 SD 24" RCP	256,891	0	0	0	0	0	0	0	0	0	0	0
24101015 SD 30" RCP	136,360	0	0	0	0	0	0	0	0	0	0	0
24101020 SD 36" RCP	218,520	0	0	0	0	0	0	0	0	0	0	0
24101025 SD 42" RCP	66,430	0	0	0	0	0	0	0	0	0	0	0
24101030 SD 48" RCP	198,090	285,525	285,525	0	285,525	0	0	0	0	0	285,525	0
24101045 SD 60" RCP	146,115	236,080	236,080	0	236,080	0	0	0	0	0	236,080	0
24102005 SD 12" HDPE	0	50,098	50,098	0	50,098	0	0	10,448	0	0	50,098	0
24102210 SD 18" HDPE	0	159,384	159,384	0	159,384	0	0	0	0	0	159,384	0
24102215 SD 24" HDPE	0	230,604	230,604	0	230,604	0	0	0	0	0	230,604	0
24102217 SD 30" HDPE	0	248,354	248,354	0	248,354	0	0	0	0	0	248,354	0
24102220 SD 36" HDPE	0	107,100	107,100	0	107,100	0	0	0	0	0	107,100	0
24102230 SD 42" HDPE	0	122,902	122,902	0	122,902	0	0	0	0	0	122,902	0
24102505 SD Concrete Collar	0	4,770	4,770	0	4,770	0	0	0	0	0	4,770	0
24103005 SD Manhole Type I	191,400	0	0	0	0	0	0	0	0	0	0	0
24103010 SD Manhole Type II	4,400	0	0	0	0	0	0	0	0	0	0	0
24103505 SD 3.5' Catch Basin	0	110,100	110,100	0	110,100	0	0	48,900	0	0	110,100	0
24103515 SD 7' Catch Basin	535,800	350,600	350,600	0	350,600	0	0	9,200	0	0	350,600	0
24103520 SD 10' Catch Basin	0	21,600	21,600	0	21,600	0	0	0	0	0	21,600	0
24103582 SD Drain Pac Maintenance	49,200	0	0	0	0	0	0	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	----- Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
24103598 SD CDS Filter	600,840	878,700	878,700	0	878,700	0	0	13,200	0	0	878,700	0
24104020 SD Concrete Inlet	0	0	0	0	0	0	0	0	0	0	0	2,000
24104065 SD 8" Inlet 6"	0	9,750	9,750	0	9,750	0	0	0	0	0	9,750	0
24104095 SD JS I	0	212,900	212,900	0	212,900	0	0	0	0	0	212,900	0
24104510 SD JS II	0	132,300	132,300	0	132,300	0	0	0	0	0	132,300	0
24104515 SD JS III	0	42,500	42,500	0	42,500	0	0	0	0	0	42,500	0
24104520 SD JS IV	1,200	9,520	9,520	0	9,520	0	0	0	0	0	9,520	0
24104530 SD JS VI	0	13,200	13,200	0	13,200	0	0	0	0	0	13,200	0
24106005 SD 4" PVC SDR 35	0	18,044	18,044	0	18,044	0	0	714	0	0	18,044	0
24106010 SD 6" PVC SDR 35	0	24,544	24,544	0	24,544	0	0	0	0	0	24,544	0
24106025 SD 12" PVC SDR 35	0	121,017	121,017	0	121,017	0	0	0	0	0	121,017	0
24107040 SD Box Culverts	0	44,565	68,865	24,300	68,865	0	24,300	0	0	0	44,565	0
24107510 SD Raise Cap MH to Grade	9,450	37,050	37,050	0	37,050	0	27,050	0	10,000	0	10,000	0
24107540 SD TV Lines	0	0	60,000	60,000	0	60,000	0	0	0	0	0	0
24107599 SD Other	65,928	257,568	279,920	22,352	279,920	0	26,312	66,684	12,942	0	253,608	0
24151099 DY Other	0	0	4,690	4,690	4,690	0	4,690	0	0	0	0	0
24200516 DW Remove Plug & Join	8,800	0	0	0	0	0	0	0	0	0	0	0
24200545 DW Join Exist Stub	0	6,000	6,000	0	6,000	0	0	0	0	0	6,000	0
24201510 DW 6" PVC	0	26,713	26,713	0	26,713	0	0	0	0	0	26,713	0
24201515 DW 8" PVC	444,541	444,928	444,928	0	444,928	0	0	0	0	0	444,928	0
24203510 DW 6" Gate Valve	0	27,300	27,300	0	27,300	0	0	0	0	0	27,300	0
24203515 DW 8" Gate Valve	206,425	119,000	119,000	0	119,000	0	0	0	0	0	119,000	0
24204005 DW Fire Hydrant Assy	125,000	144,480	144,480	0	144,480	0	0	0	0	0	144,480	0
24204511 DW Fittings/Thrust Blocks	30,658	0	0	0	0	0	0	0	0	0	0	0
24204523 DW 2" Blowoff	2,100	0	0	0	0	0	0	0	0	0	0	0
24204530 DW 1" Air Vac Incl Cove	0	2,400	2,400	0	2,400	0	0	0	0	0	2,400	0
24204560 DW Plug	0	900	900	0	900	0	900	0	0	0	0	0
24204565 DW Air Relief Valve	0	49,350	49,350	0	49,350	0	0	0	0	0	49,350	0
24205005 DW 1.0" Water Service	212,800	151,700	151,700	0	151,700	0	32,675	0	0	0	119,025	0
24205015 DW 2.0" Water Service	0	1,700	1,700	0	1,700	0	0	1,700	0	0	1,700	0
24205045 DW 2.0" Irr Service	1,750	0	0	0	0	0	0	0	0	0	0	0
24205055 DW 4.0" Irr Service	9,000	0	0	0	0	0	0	0	0	0	0	0
24205055 DW 1" Set/Rock M88/Hook	66,500	0	0	0	0	0	0	0	0	0	0	0
24205060 DW 2" Set/Rock M88/Hook	450	0	0	0	0	0	0	0	0	0	0	0
24205015 DW Cap Raise Valve Grade	28,750	54,400	54,400	0	54,400	0	38,400	0	16,000	0	15,000	0
24205099 DW Other	0	47,000	34,830	12,170	34,830	0	4,569	0	28,284	780	30,261	0
24250505 RW Join & Backfill	2,600	0	0	0	0	0	0	0	0	0	0	0
24251505 RW 4" PVC	0	139,936	139,936	0	139,936	0	0	5,264	0	0	139,936	0
24251605 RW 4" PVC C-900 CL 200	125,495	0	0	0	0	0	0	0	0	0	0	0
24252505 RW 4" Gate Valve	21,600	18,000	18,000	0	18,000	0	0	0	0	0	18,000	0
24253020 RW Fittings & Thrust Blck	13,210	0	0	0	0	0	0	0	0	0	0	0
24253215 RW 2.0" Irrigation Serv	12,950	30,100	30,100	0	30,100	0	0	0	0	0	30,100	0
24254004 RW Raise Valve Cap Pav	6,750	0	0	0	0	0	0	0	0	0	0	0
24254055 RW End of Line Blow Off	0	18,200	18,200	0	18,200	0	0	0	0	0	18,200	0
24254065 RW 12" x 2" Air Vac Assy	0	5,400	5,400	0	5,400	0	0	0	0	0	5,400	0
24300515 CW Const Demand Charge	900	3,075	3,075	0	3,075	0	0	0	0	0	3,075	0
24300520 CW Irr Demand Charge	3,450	0	0	0	0	0	0	0	0	0	0	0
24300535 CW Invasion Line	0	70,350	70,350	0	70,350	0	0	0	0	0	70,350	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	..... Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
24351005 XMJ Additional Move In	578,736	0	0	0	0	0	0	0	0	0	0	0
24351030 XMJ Pump Model Manholes	0	0	1,850	1,850	1,150	700	1,150	0	0	0	0	0
24351035 XMJ Overtime Sewer	0	64,413	41,595	22,818	41,595	1-	0	7,375	5,418	0	41,595	1
24351050 XMJ Overtime Storm Dr	0	105,528	55,423	50,105	55,423	0	0	16,730	18,783	0	55,423	0
24351545 XMJ SD Add'l Move In	482,280	0	0	0	0	0	0	0	0	0	0	0
24352015 XMJ Overtime Water	0	33,209	23,445	9,764	23,445	0	0	11,529	6,229	0	23,445	0
25050505 UC M0 1 Crossings	0	330,276	331,182	906	331,182	0	12,906	318,276	0	0	318,276	0
25051005 UC M0 1 Main & Stub	185,430	522,279	522,279	0	522,279	0	62,172	115,000	6,548	0	460,107	0
25051010 UC M0 2 Main & Stub	0	104,020	104,020	0	104,020	0	52,216	19,815	10,817	0	51,804	0
25051015 UC M0 3 Main & Stub	0	123,546	123,546	0	123,546	0	87,696	0	35,650	0	35,650	0
25051020 UC M0 4 Main & Stub	0	82,152	82,152	0	82,152	0	3,930	0	78,222	0	78,222	0
25051025 UC M0 5 Main & Stub	0	39,870	39,870	0	39,870	0	1,865	0	38,005	0	38,005	0
25051030 UC M0 6 Main & Stub	0	33,584	33,584	0	33,584	0	33,584	0	0	0	0	0
25051035 UC M0 7 Main & Stub	0	30,080	30,080	0	30,080	0	20,346	0	9,734	0	9,734	0
25051040 UC M0 8 Main & Stub	0	64,957	64,957	0	64,957	0	64,957	0	0	0	0	0
25051045 UC M0 9 Main & Stub	0	54,811	54,811	0	54,811	0	54,811	0	0	0	0	0
25051050 UC M0 10 Main & Stub	0	33,208	33,208	0	33,208	0	33,208	0	0	0	0	0
25051505 UC M0 1 Service	25,000	50,400	50,400	0	50,400	0	46,200	4,200	0	0	4,200	0
25051510 UC M0 2 Service	0	16,100	16,100	0	16,100	0	14,000	2,100	0	0	2,100	0
25051515 UC M0 3 Service	0	47,600	47,600	0	47,600	0	47,600	0	0	0	0	0
25051520 UC M0 4 Service	0	14,000	14,000	0	14,000	0	14,000	0	0	0	0	0
25051525 UC M0 5 Service	0	9,800	9,800	0	9,800	0	9,800	0	0	0	0	0
25051530 UC M0 6 Service	0	14,000	14,000	0	14,000	0	14,000	0	0	0	0	0
25051535 UC M0 7 Service	0	13,300	13,300	0	13,300	0	13,300	0	0	0	0	0
25051545 UC M0 9 Service	0	22,400	22,400	0	22,400	0	22,400	0	0	0	0	0
25051550 UC M0 10 Service	0	21,000	21,000	0	21,000	0	21,000	0	0	0	0	0
25100505 EL Trenching Tax	32,330	173,240	0	173,240	0	0	0	0	0	0	0	0
25100520 EL Electric Deposits	0	243,650	0	243,650	0	0	0	0	0	0	0	0
25100525 EL Refundable Advance	0	857,594	882,584	24,790	837,473	45,211	0	369,892	22,313	0	837,473	0
25100530 EL Utility Tax Liability	4,310	24,970	0	24,970	0	0	0	0	0	0	0	0
25100550 EL Street Light	336,440	652,260	750,194	97,934	716,351	33,843	0	120,115	251,381	0	716,351	0
25100555 EL Non Refundable Const	206,493	320,689	878,101	557,412	823,101	55,000	0	475,664	26,748	0	823,101	0
25100560 EL Electric Repairs	0	900	0	900	0	0	900	0	0	0	0	0
25100590 EL Rule 20 Undergrd.Fee	980	4,900	0	4,900	0	0	0	0	0	0	0	0
25150020 SL Repair	0	1,049	1,049	0	1,049	0	0	0	0	0	1,049	0
25150025 SL St.Light Elect.Charge	15,120	42,537	0	42,537	0	0	0	0	0	0	0	0
25300040 GS Gas Deposits	41,355	234,795	134,795	100,000	81,525	53,270	0	0	0	0	81,525	0
25400030 XMJ Adjust Facilities	0	3,097	0	3,097	0	0	2,622	0	0	0	475	0
25400050 XMJ Overtime Dry Util.	0	8,301	16,257	7,956	8,301	7,956	3,861	4,440	0	0	4,440	0
25400070 XMJ Facility Repairs	0	0	3,905	3,905	3,905	0	3,905	0	0	0	0	0
26050505 CG 4'-5" Balance C & G	54,226	29,505	25,079	4,426	25,079	6,954	3,345	1,909	9,337	0	18,125	0
26050535 CG Traffic Control	6,000	0	0	0	0	0	0	0	0	0	0	0
26050540 CG Join Existing Curb	4,000	0	0	0	0	0	0	0	0	0	0	0
26051010 CG 6" x 24" Curb & Gutt	495,057	252,842	277,606	24,764	277,606	0	64,244	58,833	47,237	75,986	213,362	0
26051035 CG 6" Curb Only	9,761	18,300	18,300	0	18,300	0	0	0	0	0	18,300	0
26051055 CG Transition C & G	28,200	0	0	0	0	0	0	0	0	0	0	0
26051058 CG Saccu/Remove ACAB	7,600	0	0	0	0	0	0	0	0	0	0	0
26051645 CG Traffic Control	10,000	0	0	0	0	0	0	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	..... Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
26052030 CG Backfill Curb&Gutter	22,029	0	0	0	0	0	0	0	0	0	0	0
26100505 P1 Access Road	0	13,400	18,931	5,531	18,931	0	5,017	514	0	0	13,914	0
26100535 P1 Feather At Join	4,800	13,188	13,188	0	13,188	0	5,476	0	0	7,712	7,712	0
26100560 P1 4'-5" Balance St.	136,144	44,092	42,458	1,634	42,459	1-	13,405	12,272	2,385	14,397	29,054	0
26100567 P1 Export Street Grade	0	6,952	6,952	0	6,952	0	0	6,952	0	0	6,952	0
26100585 P1 2 x 4 Redwood Header	0	3,292	3,292	0	3,292	0	3,292	0	0	0	0	0
26101048 P1 3" AC / 14" AB	1,283,645	0	0	0	0	0	0	0	0	0	0	0
26101205 P1 X " AC	0	852,965	709,130	143,835	709,130	0	236,849	137,720	52,225	282,336	472,281	0
26101425 P1 6" AB	0	122,289	113,203	9,077	113,203	0	24,557	75,396	13,250	0	88,546	0
26102005 P1 X" Cap Pave	0	53,547	0	53,547	0	0	0	0	0	0	0	0
26102018 P1 1" Cap Pave	384,121	269,453	269,453	0	269,453	0	269,453	0	0	0	0	0
26102525 P1 Fog Seal	43,761	0	0	0	0	0	0	0	0	0	0	0
26102530 P1 Type 1 Slurry	0	0	172,000	172,000	0	172,000	0	0	0	0	0	0
26102545 P1 Add'l Move Base	17,500	0	0	0	0	0	0	0	0	0	0	0
26102550 P1 Add'l Move Cap	17,500	0	0	0	0	0	0	0	0	0	0	0
26102555 P1 Traffic Control	3,000	37,968	44,161	6,203	44,161	0	7,803	0	0	875	36,358	0
26102590 P1 Overtime	0	7,624	15,806	8,182	15,806	0	0	15,806	0	0	15,806	0
26102595 P1 Survey Monuments	2,500	0	0	0	0	0	0	0	0	0	0	0
26102605 P1 Subgrade Geo-textile	0	11,679	11,679	0	11,679	0	0	11,679	0	0	11,679	0
26102620 P1 Other	0	89,605	196,738	107,132	86,737	110,001	38,219	43,699	4,820	0	48,518	0
26103030 DP Removals	33,119	61,121	70,352	9,231	70,352	0	27,288	0	0	0	43,064	0
26151015 DP 24" Wide Conc Band	0	39,115	47,015	7,899	47,015	0	31,497	0	0	0	15,518	0
26151505 DP Interlocking Pavers	313,660	440,472	423,637	16,835	423,637	0	153,410	0	0	0	270,227	0
26152005 DP Sealer	19,482	0	0	0	0	0	0	0	0	0	0	0
26200505 SS Stop Sign	4,250	65,326	65,326	0	65,326	0	60,482	0	0	0	65,326	0
26200515 SS Street Name	6,300	19,284	19,284	0	19,284	0	7,633	0	0	0	19,284	0
26200525 SS Fire Lane	0	26,362	28,040	1,678	28,039	1	0	6,594	1,678	0	28,039	0
26200530 SS Blue RPH @ F H	475	0	0	0	0	0	0	0	0	0	0	0
26200645 SS No Parking Sign	900	0	0	0	0	0	0	0	0	0	0	0
26200560 SS Street Striping	18,400	0	0	0	0	0	0	0	0	0	0	0
26200670 SS Barricade	4,860	0	0	0	0	0	0	0	0	0	0	0
26200680 SS Monument Signage	0	13,502	13,232	270	13,232	0	0	5,208	3,626	0	13,232	0
26200685 SS Advance Sign	3,600	0	0	0	0	0	0	0	0	0	0	0
26200590 SS Misc Traffic Signs	0	57,854	57,852	288	57,851	1	0	33,148	190	98	57,851	0
26200595 SDA Saturation	0	25,036	20,737	5,299	20,737	0	3,672	0	0	0	17,065	0
26200510 SDA 2" Base Under S/W	0	24,000	23,042	958	23,042	0	7,430	0	0	0	15,612	0
26200540 SDA Grade Walks/Approach	11,575	60,922	62,409	1,487	62,409	0	0	0	53,554	0	62,409	0
26200505 SDA 4" Sidewalk	157,325	202,808	146,083	56,725	146,083	0	25,870	0	0	0	120,213	0
26201015 SDA 6" Drive Approach	6,075	0	0	0	0	0	0	0	0	0	0	0
26201025 SDA Access Ramp	24,700	43,713	43,713	0	43,713	0	21,530	1,540	0	0	22,183	0
26201510 SDA T&E Walks/Approach	0	5,063	5,063	0	5,063	0	5,063	0	0	0	0	0
26300505 SC Allocated Water Truck	0	1,540	3,140	1,600	3,140	0	1,600	1,540	0	0	0	0
26300510 SC Labor	0	22,935	31,143	8,208	31,143	0	10,152	200	0	4,536	20,991	0
26300515 SC Street Sweeping	0	39,992	32,115	7,877	32,115	0	13,770	4,370	1,710	5,440	18,345	0
26300525 SC Dust Control	0	1,548	11,917	10,369	11,917	0	11,587	0	0	0	330	0
26300535 SC Shaker Plates	0	3,780	9,959	6,179	9,959	0	9,959	0	0	0	0	0
26300505 PR Concrete Repair	19,968	17,968	32,968	15,000	26,325	6,643	22,588	0	0	0	3,744	0
26300510 PR Point & Patch	0	3,215	3,215	0	2,295	920	1,080	1,215	0	0	1,215	0

[illegible]

	Original Budget	.....Qtrly..... Budget as of June	Budget Chg Budget as of September	Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
28052510 LC CL Groundcover	0	221,460	221,460	0	221,461	1-	2,097	133,904	44,990	0	219,364	0
28052515 LC CL Mulch	0	42,000	42,000	0	42,000	0	4,200	37,800	0	0	37,800	0
28052550 LC CL Irrigation	0	362,274	362,274	0	362,274	0	0	118,159	25,115	0	362,274	0
28052555 LC CL Hardscape	0	171,951	171,951	0	171,951	0	0	142,350	19,601	0	171,951	0
28052560 LC CL Root Barrier	0	23,840	23,840	0	23,840	0	1,440	21,120	0	0	22,400	0
28052570 LC CL Redwood Headers	0	5,668	5,668	0	5,668	0	5,668	0	0	0	0	0
28053005 LC PL Fine Grd/Soil Prep	0	69,622	69,622	0	69,622	0	8,797	27,075	0	0	60,825	0
28053015 LC PL Mulch	0	36,900	36,900	0	36,900	0	0	30,300	6,500	0	36,900	0
28053025 LC PL Sod	0	47,600	47,600	0	47,600	0	0	47,600	0	0	47,600	0
28053050 LC PL Irrigation	0	308,000	308,000	0	308,000	0	42,000	207,200	0	0	265,000	0
28053105 LC PL Lighting	0	200,000	200,000	0	200,000	0	29,000	40,000	30,000	0	180,000	0
28053220 LC PM 24"Box Tree	0	84,042	84,042	0	84,042	0	5,684	78,358	0	0	78,358	0
28053230 LC PM 36"Box Tree	0	71,570	71,570	0	71,570	0	3,368	68,202	0	0	68,202	0
28053240 LC PM 48"Box Tree	0	72,600	72,600	0	72,600	0	0	72,600	0	0	72,600	0
28053250 LC PM 60"Box Tree	0	155,397	155,397	0	155,397	0	6,094	143,299	0	0	149,303	0
28053255 LC PM 72"Box Tree	0	281,281	281,281	0	281,281	0	0	0	0	0	281,281	0
28053305 LC PM 1 Gal Shrub	0	16,768	16,768	0	16,768	0	1,600	14,016	1,152	0	15,168	0
28053310 LC PM 5 Gal Shrub	0	448,020	448,020	0	448,020	0	23,940	405,175	18,905	0	424,080	0
28053315 LC PM 15 Gal Shrub	0	77,552	77,552	0	77,552	0	4,144	68,088	5,328	0	73,408	0
28053056 EH Ext. Production Maint	0	150,000	94,369	55,631-	46,506	47,853	46,506	0	0	0	0	0
28250510 OL Landscape Parkway	263,834	0	0	0	0	0	0	0	0	0	0	0
28250510 OL Extra Landscape	79,150	88,783	161,389	12,606	101,389	0	5,240	0	18,783	77,366	96,149	0
28250530 OL Extra Irrigation	0	59,473	63,571	4,098	63,571	0	39,578	21,398	0	0	23,993	0
28250570 OL Overtime Landscape	0	35,440	33,018	2,422-	33,018	0	20,420	10,440	2,358	12,798	0	0
28250580 OL Clear and Grub	0	2,814	4,734	1,920	4,734	0	1,920	0	0	0	2,814	0
28250591 AL Area Lighting	0	116,810	117,360	550	117,361	1-	99,839	0	17,522	0	17,522	0
29050510 SV Supervision	81,000	0	0	0	0	0	0	0	0	0	0	0
29050515 SV Mgmt Consulting	0	535,808	535,808	0	535,809	1-	55,846	178,375	24,763	200	479,963	0
29050520 SV Security	0	66,552	53,880	12,672-	53,880	0	0	22,168	0	0	53,880	0
29100510 TF Temp Power	4,500	1,095	1,095	0	1,095	0	0	0	0	0	1,095	0
29100515 TF Temp Toilets	1,800	2,830	2,798	32-	2,798	0	1,380	0	0	0	1,418	0
29100520 TF Field Office	13,500	13,500	6,264	7,236-	6,264	0	0	0	0	0	6,264	0
29150506 RF Excavation	23,388	0	0	0	0	0	0	0	0	0	0	0
29150545 RF Start Up	480,000	0	0	0	0	0	0	0	0	0	0	0
29201505 RF Concrete	63,965	0	0	0	0	0	0	0	0	0	0	0
29201511 RF Plumbing	45,981	0	0	0	0	0	0	0	0	0	0	0
29201517 RF Lumber Framing	57,897	0	0	0	0	0	0	0	0	0	0	0
29201519 RF Labor Framing	66,060	0	0	0	0	0	0	0	0	0	0	0
29201521 RF Lumber Trusses	30,534	0	0	0	0	0	0	0	0	0	0	0
29201525 RF HVAC	38,205	0	0	0	0	0	0	0	0	0	0	0
29201527 RF Electric	98,631	0	0	0	0	0	0	0	0	0	0	0
29201531 RF Fire Sprinklers	9,450	0	0	0	0	0	0	0	0	0	0	0
29201543 RF Alarm	62,266	0	0	0	0	0	0	0	0	0	0	0
29201549 RF Windows-Vinyl	8,102	0	0	0	0	0	0	0	0	0	0	0
29201563 RF Sheet Metal	6,939	0	0	0	0	0	0	0	0	0	0	0
29201557 RF Roofing	57,168	0	0	0	0	0	0	0	0	0	0	0
29201559 RF Insulation	4,716	0	0	0	0	0	0	0	0	0	0	0
29201563 RF Stucco	30,375	0	0	0	0	0	0	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	..... Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
29201505 RF Drywall	35,784	0	0	0	0	0	0	0	0	0	0	0
29201505 RF Painting	29,331	0	0	0	0	0	0	0	0	0	0	0
29201507 RF Cabinets	9,756	0	0	0	0	0	0	0	0	0	0	0
29201509 RF Finish Carpentry	55,305	0	0	0	0	0	0	0	0	0	0	0
29201501 RF Masonry Veneer	23,539	0	0	0	0	0	0	0	0	0	0	0
29201605 RF Fireplace Face Other	0	6,748	6,748	0	6,748	0	0	6,748	0	0	6,748	0
29201607 RF Overheads	0	12,538	12,538	0	12,538	0	0	12,538	0	0	12,538	0
29201611 RF Cultured Mble.Ctr.Top	56,416	0	0	0	0	0	0	0	0	0	0	0
29201623 RF Gutters & Downspouts	2,713	0	0	0	0	0	0	0	0	0	0	0
29201625 RF Bathroom Partitions	3,545	0	0	0	0	0	0	0	0	0	0	0
29201627 RF Room Partition	19,440	0	0	0	0	0	0	0	0	0	0	0
29201629 RF Mirrors	2,133	0	0	0	0	0	0	0	0	0	0	0
29201631 RF Finish Hardware	27,054	0	0	0	0	0	0	0	0	0	0	0
29201633 RF Light Fixtures	16,787	0	0	0	0	0	0	0	0	0	0	0
29201635 RF Weather Stripping	1,989	0	0	0	0	0	0	0	0	0	0	0
29201637 RF Appliances	12,469	0	0	0	0	0	0	0	0	0	0	0
29201643 RF Hard Surface Flooring	37,827	0	0	0	0	0	0	0	0	0	0	0
29201645 RF Carpet Flooring	28,912	0	0	0	0	0	0	0	0	0	0	0
29201647 RF Clean Up	11,313	0	0	0	0	0	0	0	0	0	0	0
29201655 RF Repairs/Maintenance	84,690	0	0	0	0	0	0	0	0	0	0	0
29201663 RF Furnishings	337,500	0	0	0	0	0	0	0	0	0	0	0
29201675 RF Flatwork	55,444	574,659	574,659	0	574,659	0	0	406,343	0	0	574,659	0
29201685 RF Wrought Iron	0	49,323	49,323	0	49,323	0	0	49,323	0	0	49,323	0
29201690 RF Masonry Walls	21,240	271,534	271,534	0	271,534	0	0	87,577	0	0	271,534	0
29201695 RF Retaining Walls	0	24,234	24,234	0	24,234	0	0	18,134	0	0	24,234	0
29201700 RF Landscape	0	88,389	88,389	0	88,389	0	0	79,849	0	0	88,389	0
29201720 RF Bar B Que	0	85,137	85,137	0	85,137	0	0	55,425	0	0	85,137	0
29201725 RF Bike Rack	0	25,438	25,438	0	25,438	0	0	19,987	0	0	25,438	0
29201735 RF Play Equipment 1	0	1,090,686	1,090,686	0	1,090,686	0	0	463,459	22,664	0	1,090,686	0
29201750 RF Bench	0	26,824	26,824	0	26,824	0	0	20,118	0	0	26,824	0
29201751 RF Tables	0	29,340	29,340	0	29,340	0	0	19,560	0	0	29,340	0
29201752 RF Trash Cans	0	67,060	67,060	0	67,060	0	0	46,942	0	0	67,060	0
29201830 RF Rec Ctr Export	15,000	0	0	0	0	0	0	0	0	0	0	0
29201840 RF Rec Ctr Grading	24,000	0	0	0	0	0	0	0	0	0	0	0
29201845 RF Rec Ctr Drainage	6,930	248,475	248,475	0	248,475	0	0	12,174	0	0	248,475	0
29201850 RF Overheads	0	184,440	184,440	0	184,440	0	0	19,838	0	0	184,440	0
29201880 RF Area Lighting Fixt's	0	236,457	236,457	0	236,457	0	0	82,760	11,823	0	236,457	0
29201885 RF Area Lighting	0	220,000	220,000	0	220,000	0	0	77,000	0	0	220,000	0
29211515 RF Slab Completion	0	71,424	71,424	0	71,424	0	0	7,824	0	0	71,424	0
29221025 RF Bocce Ball Court	0	54,278	54,278	0	54,278	0	0	0	0	0	54,278	0
29350812 GR Home-Site Clean	0	10,800	26,528	15,728	26,528	0	21,128	0	0	2,160	5,400	0
29500505 MD Trails	100,000	0	0	0	0	0	0	0	0	0	0	0
29500515 MD Special Projects	0	644	644	0	944	300	0	0	0	300	944	300
29600505 RB Electric	0	65,290	689,633	624,343	0	689,633	0	0	0	0	0	0
29600515 RB Telephone	0	28,650	28,650	0	28,650	0	0	0	0	0	0	0
29600525 RB Gas	0	168,310	107,575	60,735	0	107,575	0	0	0	0	0	0
29600535 RB Gas Joint Trench	0	23,320	0	23,320	0	0	0	0	0	0	0	0
29600540 RB Meter Deposits	0	501,130	0	501,130	0	0	0	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	..... Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
29800505 Contingency (All)	2,624,663	2,814,121	1,118,332	1,695,789	0	1,118,332	0	0	0	0	0	0
11619000 Tustin Legacy	28,871,032	29,651,448	28,298,294	353,154	27,103,177	1,195,117	3,269,556	5,987,369	1,645,829	499,149	23,833,821	2,303

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid TTD	Over/Under
11619001 Tustin Legacy												
21050505 DD Prelim Investigation	102,751	145,882	146,632	750	146,632	0	0	0	0	0	146,632	0
21050510 DD Prelim Engineering	334,052	334,052	334,052	0	333,484	568	0	0	0	0	333,484	0
21050520 DD Land Planning	63,683	63,683	63,683	0	63,683	0	0	0	0	0	63,683	0
21050525 DD Prelim Soil	48,421	48,421	48,421	0	48,421	0	0	0	0	0	48,421	0
21050535 DD Prelim Legal	400,595	487,192	547,482	60,290	557,650	0	20,369	0	20,369	0	557,650	20,368
21050540 DD Prelim Architecture	387,347	387,347	379,005	8,342-	379,005	0	0	24,724	0	0	379,005	0
21050550 DD Public Relations	0	1,000	1,000	0	1,000	0	0	0	0	0	1,000	0
21050555 DD Government Relations	6,000	6,000	31,000	25,000	31,000	0	0	0	0	25,000	31,000	0
21050560 DD Phase 1 Environmental	80,904	80,904	79,132	1,772-	79,132	0	0	0	0	0	79,132	0
21050565 DD Landscape	230,175	230,175	230,175	0	229,923	252	0	0	0	0	229,923	0
21050580 DD Municipal Finance	385,095	415,315	421,469	6,154	421,469	0	0	6,154	0	0	421,469	0
21050590 DD Reprographics	74,782	76,517	76,517	0	76,798	281-	0	0	281	0	76,798	281
21050595 DD Meetings	0	3,161	3,386	225	3,386	0	0	0	0	0	3,386	0
21100505 SE Office Engineering	1,116,300	1,055,300	1,065,300	0	1,065,300	0	16,722	0	0	0	1,048,578	0
21100510 SE Field Engineering	844,200	695,765	695,765	0	470,800	224,965	139,869	8,030	100,091	1,605	330,931	0
21100535 SE Extras Office Eng	111,630	242,680	260,150	17,470	260,150	0	30,625	1,000	1,750	0	229,525	0
21100540 SE Extras Field Eng	84,420	84,420	66,950	17,470-	53,800	13,150	36,184	1,455	0	0	17,616	0
21101005 SE Util Planner Contract	93,300	121,700	121,700	0	121,700	0	1,440	760	15,090	0	120,260	0
21101010 SE Util Planner Extra	9,330	0	0	0	0	0	0	0	0	0	0	0
21101505 SE Landscape Arch Cont	430,140	479,891	504,521	24,630	504,521	0	56,159	11,823	1,512	0	448,362	0
21101510 SE Landscape Arch Extra	43,014	43,014	18,384	24,630-	5,570	12,814	0	0	0	0	5,570	0
21101520 SE Secondary LS Arch Cont	66,120	66,121	66,121	0	66,121	0	288	5,440	0	0	65,833	0
21101525 SE Secondary LS Arch Extra	6,612	6,612	6,612	0	0	6,612	0	0	0	0	0	0
21101605 SE H&M Maint. Book	5,500	5,500	5,500	0	3,200	2,300	3,200	0	0	0	0	0
21102005 SE Light Consult Cont	20,000	9,200	9,200	0	9,200	0	0	0	0	0	9,200	0
21150005 SO Soil Corosivity Test	5,000	0	0	0	0	0	0	0	0	0	0	0
21150010 SO Mass/Rough Soils Eng	120,470	144,942	149,642	4,700	144,942	4,700	47	0	0	0	144,895	0
21150015 SO Post Grading Soils	75,875	213,239	213,239	0	213,239	0	12,685	0	0	0	200,554	0
21150035 SO Extra Mass/Rough Soil	12,047	40,170	44,870	4,700	44,870	0	4,700	0	0	0	40,170	0
21150040 SO Extra Post Grading	7,588	20,599	20,599	0	0	20,599	0	0	0	0	0	0
21150055 SO Reports	18,800	0	0	0	0	0	0	0	0	0	0	0
21200005 AE Pool Building Arch	45,000	58,000	58,000	0	58,000	0	0	0	0	0	58,000	0
21200010 AE Structural Engineer	25,000	34,305	34,305	0	34,305	0	3,135	0	0	0	31,170	0
21200015 AE Rec Center Arch	17,600	16,000	16,000	0	16,000	0	0	0	0	0	16,000	0
21250010 ME Acoustical Engineer	3,000	6,050	6,050	0	6,050	0	0	0	0	0	6,050	0
21250015 ME Architect/Plano	76,800	129,600	145,000	15,420	145,000	0	3,725	0	0	0	141,275	0
21250025 ME Processing Government	32,078	32,078	32,078	0	27,038	5,040	9,480	112	0	729	17,558	0
21250085 ME Misc Engineering	15,500	15,500	15,500	0	7,290	8,210	0	0	0	0	7,290	0
21250095 ME Environmental Consult.	15,900	25,889	12,954	12,935-	12,954	0	0	0	0	0	12,954	0
21250125 ME Fire Mitigation Engr	14,000	14,000	14,000	0	0	14,000	0	0	0	0	0	0
21300005 RE Reprographics	45,000	0	0	0	0	0	0	0	0	0	0	0
22500505 SB Premiums	412,354	412,354	412,354	0	130,703	281,651	0	15,580	0	0	130,703	0
22500525 SB City	122,000	207,582	207,582	0	207,582	0	0	0	0	0	207,582	0
22500580 SB Cash Bond	0	266,661	266,661	0	266,661	0	0	0	0	0	266,661	0
29502200 RB Cash Bond	0	266,661-	266,661-	0	0	266,661-	0	0	0	0	0	0
29800505 Contingency (All)	336,022	75,875	75,875	0	0	75,875	0	0	0	0	0	0
29800520 Contingency Fee Increase	115,118	62,741	62,741	0	0	62,741	0	0	0	0	0	0
1357 Site Plan												
30001014 Site Plan	12,000	0	0	0	0	0	0	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid TTD	Over/Under
30001017 Tentative Tract Map	12,000	100	100	0	100	0	0	0	0	0	100	0
30001020 Final Map/Parcel Map	82,996	53,363	54,151	788	54,151	0	0	0	0	0	54,151	0
30001030 Dept of Fish & Game	250	0	0	0	0	0	0	0	0	0	0	0
30001040 NPDES/SWPPP	9,358	9,358	9,358	0	5,057	4,301	0	0	0	0	5,057	0
30001047 Trans Fee/Th Corridor	20,463	0	0	0	0	0	0	0	0	0	0	0
30001050 Trans Fees/Traffic Signal	555	555	555	0	0	555	0	0	0	0	0	0
30001054 Trans Fees/Traffic Impact	0	5,113	5,113	0	5,113	0	0	0	0	0	5,113	0
30001060 Development Impact Fees	0	16,934,704	16,934,704	0	16,934,704	0	0	0	0	0	16,934,704	0
30001070 Fire Fees	0	6,525	7,305	780	7,305	0	0	0	0	0	7,305	0
30001080 Encroachment Permits	0	15,050	45,050	30,000	45,050	0	0	0	30,000	0	45,050	0
30001084 School Fees I	2,832	2,644	2,644	0	2,644	0	0	0	0	0	2,644	0
30001090 Rough Grade PC&I	191,968	233,930	233,930	0	233,930	0	0	0	0	0	233,930	0
30001104 Sewer PC&I	82,833	111,909	111,909	0	111,909	0	0	0	0	0	111,909	0
30001107 Sewer Connection	12,347	12,347	12,347	0	0	12,347	0	0	0	0	0	0
30001110 Sewer Capacity	9,883	9,883	9,883	0	0	9,883	0	0	0	0	0	0
30001114 Storm Drain PC&I	0	19,685	20,409	714	20,409	0	0	0	656	0	20,409	0
30001124 Water PC&I	105,630	177,644	191,919	14,275	191,919	0	0	0	600	0	191,919	0
30001130 Water Connection Fee	3,846	3,846	3,846	0	0	3,846	0	0	0	0	0	0
30001144 Water Meter Fee	4,525	14,725	14,725	0	13,375	1,350	0	0	0	0	13,375	0
30001147 Street Improvement PC&I	13,730	24,495	24,491	496	24,491	0	0	0	0	0	24,491	0
30001150 Precise Grade PC&I	13,890	19,211	19,461	250	19,461	0	0	0	0	0	19,461	0
30001154 Landscape PC&I	13,590	25,941	25,941	0	27,098	1,157-	0	0	1,156	0	27,098	1,157
30001157 Wall PC&I	3,721	7,897	7,897	0	7,897	0	0	0	0	0	7,897	0
30001160 Retaining Walls PC&I	1,079	6,195	6,195	0	6,195	0	0	0	0	0	6,195	0
30001164 Building Permits	9,122	22,585	22,585	0	22,585	0	0	0	0	0	22,585	0
30001170 Conditional Use Permit	0	400	400	0	400	0	0	0	0	0	400	0
30001177 Business License	300	300	300	0	81	219	0	0	0	0	81	0
30001180 Misc County Fees	0	2,492	2,492	0	2,492	0	0	0	0	0	2,492	0
30001184 Misc City Fees	10,000	15,042	15,042	0	15,042	0	0	0	5,000	0	15,042	0
11619001 Tustin Legacy	7,084,351	24,344,725	24,486,218	141,493	24,008,707	477,511	318,259	75,135	165,359	28,689	23,690,448	21,806

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11619002 Tustin Legacy Rec Building												
1354 RMG Pad Flooding												
23250520 RMG Pad Flooding	0	1,080	1,080	0	1,080	0	0	0	0	0	1,080	0
23300090 EC Erosion Control	0	576	576	0	576	0	0	0	0	0	576	0
25100555 EL Non Refundable Const	0	0	2,602	2,602	2,602	0	0	2,602	0	0	2,602	0
27050200 BW Deputy Inspection	0	4,040	4,040	0	4,040	0	0	0	0	0	4,040	0
29100510 TF Temp Power	0	22,450	22,450	0	22,450	0	7,300	13,500	0	0	15,150	0
29100515 TF Temp Toilets	0	1,418	1,418	0	1,418	0	1,418	0	0	0	0	0
29201505 RF Concrete	63,985	49,733	49,733	0	49,733	0	0	0	0	0	49,733	0
29201511 RF Plumbing	45,981	66,920	66,920	0	66,920	0	0	11,853	0	0	66,920	0
29201517 RF Lumber Framing	57,897	307,457	307,457	0	307,457	0	0	2,202	0	0	307,457	0
29201519 RF Labor Framing	66,060	0	0	0	0	0	0	0	0	0	0	0
29201521 RF Lumber Trusses	30,534	0	0	0	0	0	0	0	0	0	0	0
29201525 RF HVAC	38,205	11,700	11,700	0	11,700	0	0	0	0	0	11,700	0
29201527 RF Electric	98,631	62,970	62,970	0	62,970	0	62,970	0	0	0	0	0
29201531 RF Fire Sprinklers	9,450	359	359	0	359	0	359	0	0	0	0	0
29201543 RF Alarm	62,266	57,533	57,533	0	57,533	1	0	13,131	0	0	57,532	0
29201549 RF Windows-Vinyl	8,102	67,051	67,051	0	67,051	0	0	2,653	0	0	67,051	0
29201553 RF Sheet Metal	6,939	5,842	5,842	0	5,842	0	0	0	0	0	5,842	0
29201555 RF Metal Fireplace	0	33,100	41,800	8,700	41,800	0	9,700	0	0	0	32,100	0
29201557 RF Roofing	57,168	79,500	79,500	0	79,500	0	16,630	11,354	0	0	62,870	0
29201559 RF Insulation	4,716	2,895	2,895	0	2,895	0	0	0	0	0	2,895	0
29201563 RF Stucco	30,375	43,360	43,360	0	43,360	0	0	0	0	0	43,360	0
29201565 RF Drywall	35,784	24,311	28,071	3,760	28,071	0	0	3,760	0	0	28,071	0
29201566 RF Painting	29,331	17,500	17,500	0	17,500	0	0	0	0	0	17,500	0
29201587 RF Cabinets	9,756	8,760	8,760	0	8,760	0	0	0	0	0	8,760	0
29201589 RF Finish Carpentry	55,305	65,427	65,427	0	65,427	0	0	0	0	0	65,427	0
29201591 RF Masonry Veneer	23,539	101,984	101,984	0	101,984	0	0	101,984	0	0	101,984	0
29201611 RF Cultured Mble.Ctr.Top	56,416	57,493	57,493	0	57,493	0	0	0	0	0	57,493	0
29201613 RF Marble/Granite CT.Top	0	22,959	22,959	0	22,959	0	0	22,959	0	0	22,959	0
29201617 RF Counter Top Other	0	245	420	175	420	0	0	420	0	0	420	0
29201623 RF Gutters & Downspouts	2,713	1,695	1,695	0	1,695	0	1,695	0	0	0	0	0
29201625 RF Bathroom Partitions	3,545	0	0	0	0	0	0	0	0	0	0	0
29201627 RF Room Partition	10,440	0	0	0	0	0	0	0	0	0	0	0
29201629 RF Mirrors	2,133	624	624	0	624	0	0	0	624	0	624	0
29201631 RF Finish Hardware	27,054	14,655	14,655	200	14,655	0	0	200	0	0	14,655	0
29201633 RF Light Fixtures	16,787	24,980	25,481	501	25,481	0	0	501	0	0	25,481	0
29201635 RF Weather Stripping	1,589	0	0	0	0	0	0	0	0	0	0	0
29201637 RF Appliances	12,469	15,079	15,079	0	15,079	0	0	9,148	692	5,239	15,079	0
29201640 RF Ornamental Iron	0	7,825	7,825	0	7,825	0	0	0	0	0	7,825	0
29201643 RF Hard Surface Flooring	37,827	44,895	44,895	0	44,895	0	44,895	0	0	0	0	0
29201645 RF Carpet Flooring	28,912	6,253	6,253	0	6,253	0	0	0	0	0	6,253	0
29201647 RF Clean Up	11,313	5,455	5,455	0	5,455	0	0	1,050	0	0	5,455	0
29201655 RF Repairs/Maintenance	84,590	0	160	160	160	0	0	160	0	0	160	0
29201663 RF Furnishings	337,500	0	0	0	0	0	0	0	0	0	0	0
29201675 RF Flatwork	55,444	0	0	0	0	0	0	0	0	0	0	0
29201685 RF Wrought Iron	0	49,380	49,380	0	49,380	0	0	0	0	0	49,380	0
29201690 RF Masonry Walls	21,240	0	0	0	0	0	0	0	0	0	0	0
29201715 RF Pool Signage	0	3,214	3,214	0	3,214	0	0	0	3,214	0	3,214	0
29201755 RF Site Hardware	0	1,038	1,038	0	1,038	0	0	0	0	0	1,038	1,038
29201830 RF Rec Ctr Export	15,000	0	0	0	0	0	0	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	..... Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
29201840 RF Rec Ctr Grading	24,000	0	0	0	0	0	0	0	0	0	0	0
29201845 RF Rec Ctr Drainage	6,930	0	0	0	0	0	0	0	0	0	0	0
29700505 BC Charge to Vendor	0	1,390	1,390	0	1,390	0	0	0	0	0	1,390	0
29700510 BC Collect from Vendor	0	1,390	1,390	0	1,390	0	1,390	0	0	0	0	0
29800505 Contingency (All)	149,000	0	0	0	0	0	0	0	0	0	0	0
11619002 Tustin Legacy Rec Building	1,639,426	1,291,556	1,307,654	16,098	1,307,653	1	143,577	197,487	4,530	5,239	1,164,076	1,038

28,298,294
29,486,218
1,307,654
54,092,166

23,883,621
23,690,448
1,164,076
48,678,145

	Original Budget	.....City Budget as of June	Budget Chg as of September	..... Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid YTD	Over/Under
11529000 Crawford @ Greenwood												
1354 RFP Rough												
23150005 RFP Rough	20,295	19,195	19,195	0	19,195	0	17,215	1,980	0	0	1,980	0
23150010 RFP Flatwork	20,295	17,805	17,805	0	17,805	0	17,805	0	0	0	0	0
23150015 RFP Finish	20,295	17,340	17,340	0	17,340	0	17,340	0	0	0	0	0
23150020 RFP Rake For Inspection	8,910	4,800	4,800	0	4,800	0	4,800	0	0	0	0	0
23000005 EX Rough/Finish Pull	126,042	0	0	0	0	0	0	0	0	0	0	0
23000015 EX Load Counter	9,504	9,504	9,504	0	9,504	0	9,504	0	0	0	0	0
23000020 EX Export Debris	0	0	596	596	596	0	0	596	0	0	596	0
23000022 EX Conc. Washout Export	0	3,200	6,000	6,000	4,950	1,850	0	850	3,100	0	0	0
23000500 EX Street Grade Export	0	353	6,001	5,648	6,001	0	5,648	0	0	0	353	0
23000601 EX Export NDL Prod A	0	4,146	4,146	0	4,146	0	1,800	1,263	0	0	2,346	0
23000605 EX Export PH 1 Prod A	0	7,638	7,638	0	0	7,638	0	0	0	0	0	0
23000610 EX Export PH 2 Prod A	0	7,638	7,638	0	4,084	3,554	0	0	4,084	0	4,084	0
23000615 EX Export PH 3 Prod A	0	9,911	9,446	535	9,446	0	0	9,446	0	0	9,446	0
23000620 EX Export PH 4 Prod A	0	11,457	11,457	0	6,495	0	2,657	3,835	0	0	3,835	0
23000625 EX Export PH 5 Prod A	0	7,638	7,638	0	0	7,638	0	0	0	0	0	0
23000630 EX Export PH 6 Prod A	0	8,911	8,911	0	0	8,911	0	0	0	0	0	0
23000635 EX Export PH 7 Prod A	0	7,638	7,638	0	0	7,638	0	0	0	0	0	0
23000640 EX Export PH 8 Prod A	0	7,638	7,638	0	0	7,638	0	0	0	0	0	0
23000645 EX Export PH 9 Prod A	0	7,638	7,638	0	0	7,638	0	0	0	0	0	0
23000650 EX Export PH 10 Prod A	0	10,184	10,184	0	0	10,184	0	0	0	0	0	0
23000655 EX Export PH 11 Prod A	0	7,638	7,638	0	0	7,638	0	0	0	0	0	0
23000660 EX Export PH 12 Prod A	0	7,638	7,638	0	0	7,638	0	0	0	0	0	0
23000665 EX Export PG 13 Prod A	0	5,092	5,092	0	0	5,092	0	0	0	0	0	0
23000670 EX Export PH 14 Prod A	0	7,638	7,638	0	0	7,638	0	0	0	0	0	0
23000675 EX Export PH 15 Prod A	0	7,638	7,638	0	0	7,638	0	0	0	0	0	0
23000695 EX Export PH 20 Prod A	0	1,288	1,288	0	0	1,288	0	0	0	0	0	0
23250655 RWS Reprogress Pads	0	62,400	80,859	18,459	26,197	54,672	4,366	0	14,031	0	21,831	0
23250612 RWS Regrade Pads/Slopes	0	353	353	0	353	0	0	0	0	0	353	0
23250615 RWS Dam Pads	24,750	0	0	0	0	0	0	0	0	0	0	0
23250620 RWS Pad Flooding	24,750	12,450	12,450	0	12,450	0	2,260	0	0	0	10,190	0
23250621 RWS Dam/Flood	0	11,240	11,240	0	10,753	487	2,752	4,408	3,593	0	8,901	0
23250699 RWS Other	0	569	1,162	573	1,162	0	0	569	573	0	1,162	0
23300090 EC Erosion Control	0	720	720	0	720	0	0	0	0	0	720	0
23300103 EC Labor	32,198	21,458	21,458	0	3,024	18,434	1,296	0	1,728	0	1,728	0
23300155 EC Truck Use	0	900	900	0	900	0	600	0	0	0	300	0
23300175 EC Const. Wash Out Pit	23,100	19,900	19,900	0	3,350	16,550	900	0	450	0	2,450	0
23000525 SW Join Existing Stub	12,600	1,300	1,300	0	1,300	0	0	0	0	0	1,300	0
24051020 SW 8" PVC Main	99,045	124,452	124,452	0	124,452	0	0	0	0	0	124,452	0
24050515 SW 4" PVC Lat.	3,480	89,128	89,128	0	89,128	0	0	0	0	0	89,128	0
24054020 SW 48" Manhole	50,000	57,800	57,800	0	57,800	0	0	0	0	0	57,800	0
24054505 SW Raise Base MH to Grade	0	1,485	1,485	0	1,485	0	1,485	0	0	0	0	0
24054510 SW Raise Cap MH to Grade	8,750	6,650	6,650	0	6,650	0	6,650	0	0	0	0	0
24054514 SW Raise Cap CD to Grade	0	1,700	1,700	0	1,700	0	1,700	0	0	0	0	0
24054520 SW End of Line Cleanout	0	3,750	3,750	0	3,750	0	0	0	0	0	3,750	0
24054555 SW Television Lines	1,500	1,500	1,500	0	0	1,500	0	0	0	0	0	0
24100565 SD Join & Backfill	4,500	0	0	0	0	0	0	0	0	0	0	0
24100570 SD Brick & Mortar Plug	0	1,200	1,200	0	1,200	0	0	0	0	0	1,200	0
24102225 SD 12" HDPE	0	10,106	10,106	0	10,106	0	0	0	0	0	10,106	0

		.....Ortry	Budget Chg	.....								
	Original	Budget	as of	Budget	Budget	Total	Left to	Open POs /	Paid	Paid	Paid	Paid	
	Budget		June	as of	Variance	Committed	Commit	Contracts	July	August	September	ITD	
				September								Over/Under	
24102210 SD 18" HDPE	0	68,992	68,992	0	0	68,992	0	0	0	0	0	68,992	0
24102215 SD 24" HDPE	0	22,260	22,260	0	0	22,260	0	0	0	0	0	22,260	0
24102505 SD Concrete Collar	0	300	300	0	0	300	0	0	0	0	0	300	0
24103005 SD Manhole Type I	15,400	0	0	0	0	0	0	0	0	0	0	0	0
24103515 SD 7' Catch Basin	85,500	0	0	0	0	0	0	0	0	0	0	0	0
24103520 SD 10' Catch Basin	0	32,400	32,400	0	0	32,400	0	21,600	0	0	0	32,400	0
24103580 SD CDS Filter	0	31,000	31,000	0	0	31,000	0	0	0	0	0	31,000	0
24104510 SD JS II	0	22,200	22,200	0	0	22,200	0	0	0	0	0	22,200	0
24104515 SD JS III	0	5,100	5,100	0	0	5,100	0	0	0	0	0	5,100	0
24104520 SD JS IV	1,200	0	0	0	0	0	0	0	0	0	0	0	0
24107510 SD Raise Cap MH to Grade	2,450	3,325	3,325	0	0	3,325	0	3,325	0	0	0	0	0
24150515 YD 4" SCH 40	198,000	0	0	0	0	0	0	0	0	0	0	0	0
24151015 YD Curb Core	12,870	0	0	0	0	0	0	0	0	0	0	0	0
24151505 YD PH 1 Yard Drains	0	11,934	11,934	0	0	11,934	0	0	0	0	0	11,934	0
24151510 YD PH 2 Yard Drains	0	11,604	11,604	0	0	11,604	0	0	0	11,604	0	11,604	0
24151515 YD PH 3 Yard Drains	0	13,538	13,538	0	0	13,538	0	13,538	0	0	0	0	0
24151520 YD PH 4 Yard Drains	0	17,406	17,406	0	0	17,406	0	0	0	0	0	0	0
24151525 YD PH 5 Yard Drains	0	11,604	11,604	0	0	11,604	0	0	0	0	0	0	0
24151530 YD PH 6 Yard Drains	0	13,538	13,538	0	0	13,538	0	0	0	0	0	0	0
24151535 YD PH 7 Yard Drains	0	11,604	11,604	0	0	11,604	0	0	0	0	0	0	0
24151540 YD PH 8 Yard Drains	0	11,604	11,604	0	0	11,604	0	0	0	0	0	0	0
24151545 YD PH 9 Yard Drains	0	11,604	11,604	0	0	11,604	0	0	0	0	0	0	0
24151550 YD PH 10 Yard Drains	0	15,472	15,472	0	0	15,472	0	0	0	0	0	0	0
24151555 YD PH 11 Yard Drains	0	11,604	11,604	0	0	11,604	0	0	0	0	0	0	0
24151560 YD PH 12 Yard Drains	0	11,604	11,604	0	0	11,604	0	0	0	0	0	0	0
24151565 YD PH 13 Yard Drains	0	7,736	7,736	0	0	7,736	0	0	0	0	0	0	0
24151570 YD PH 14 Yard Drains	0	11,604	11,604	0	0	11,604	0	0	0	0	0	0	0
24151575 YD PH 15 Yard Drains	0	11,604	11,604	0	0	11,604	0	0	0	0	0	0	0
24151580 YD PH 16 Yard Drains	0	1,934	1,934	0	0	1,934	0	0	0	0	0	0	0
24200515 DW Remove Plug & Join	15,400	0	0	0	0	0	0	0	0	0	0	0	0
24201515 DW 8" PVC	94,830	104,896	104,896	0	0	104,896	0	0	0	0	0	104,896	0
24202515 DW 8" Gate Valve	32,310	20,400	20,400	0	0	20,400	0	0	0	0	0	20,400	0
24204511 DW Fittings/Flurst Blocks	6,540	0	0	0	0	0	0	0	0	0	0	0	0
24204523 DW 2" Blowoff	14,700	0	0	0	0	0	0	0	0	0	0	0	0
24204565 DW Air Relief Valve	0	13,650	13,650	0	0	13,650	0	0	0	0	0	13,650	0
24205005 DW 1.0" Water Service	79,200	77,736	77,736	0	0	77,736	0	0	10,586	0	0	0	0
24205005 DW 1" Set/Rock M&B/Book	24,750	0	0	0	0	0	0	0	0	0	0	0	0
24205515 DW Cap Raise Valve Grade	4,500	5,100	5,100	0	0	5,100	0	5,100	0	0	0	0	0
24300515 CW Const Demand Charge	5,850	5,850	0	5,850-	0	0	0	0	0	0	0	0	0
24300520 CW Irr Demand Charge	5,850	5,850	0	5,850-	0	0	0	0	0	0	0	0	0
24351505 XMI Additional Move In	66,799	0	0	0	0	0	0	0	0	0	0	0	0
24351545 XMI SD Add'l Move In	56,666	0	0	0	0	0	0	0	0	0	0	0	0
25051005 UC W0 1 Main & Stub	121,470	0	0	0	0	0	0	0	0	0	0	0	0
25061505 UC W0 1 Service	59,400	0	0	0	0	0	0	0	0	0	0	0	0
25100505 EL Trenching Tax	34,080	0	0	0	0	0	0	0	0	0	0	0	0
25100520 EL Electric Deposits	243,450	0	0	0	0	0	0	0	0	0	0	0	0
25100525 EL Refundable Advance	214,950	0	0	0	0	0	0	0	0	0	0	0	0
25100630 EL Utility Tax Liability	4,200	0	0	0	0	0	0	0	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	Budget Variance	Total Committed	Left to Commit	Open PDS / Contracts	Paid July	Paid August	Paid September	Paid ITO	Over/Under
25100590 EL Rule 20 Undergrd.Fee	980	0	0	0	0	0	0	0	0	0	0	0
25100025 SL St.Lght Elect.Charge	8,250	0	0	0	0	0	0	0	0	0	0	0
25300040 GS Gas Deposits	38,600	0	0	0	0	0	0	0	0	0	0	0
25300006 MP Painted Steel 100 AMP	3,650	0	0	0	0	0	0	0	0	0	0	0
26050505 CG +/- .5' Balance C & G	0	10,353	9,767	586-	9,767	0	9,767	0	0	0	0	0
26051010 CG 6" x 24" Curb & Gutt	0	15,940	13,019	3,921-	13,019	0	13,019	0	0	0	0	0
26051020 CG 8" x 18" Curb & Gutt	33,568	0	0	0	0	0	0	0	0	0	0	0
26051045 CG 4" Rolled Curb	0	31,860	30,480	1,380-	30,480	0	30,480	0	0	0	0	0
26051005 CG 0" Curb Face	45,024	99,213	99,213	0	99,213	0	99,213	0	0	0	0	0
26051510 CG 6" Cross Gutter	0	1,880	1,880	0	1,880	0	1,880	0	0	0	0	0
26051610 CG Remove Curb & Gutter	3,800	0	0	0	0	0	0	0	0	0	0	0
26100505 PI Access Road	0	800	1,130	330	1,130	0	0	330	0	0	1,130	0
26100500 PI +/- .5' Balance St.	21,638	7,956	7,569	387-	7,569	0	7,569	0	0	0	0	0
26110448 PI 3" AC / 14" AB	204,017	0	0	0	0	0	0	0	0	0	0	0
26111575 PI .25' AC / 50" AB	0	134,886	138,472	3,586	138,472	0	128,331	0	0	10,141	10,141	0
26112018 PI .1' Cap Pave	61,050	39,779	39,779	0	39,779	0	39,779	0	0	0	0	0
26102525 PI Fog Seal	6,955	0	0	0	0	0	0	0	0	0	0	0
26102530 PI Type I Slurry	0	25,455	25,455	0	0	25,455	0	0	0	0	0	0
26102545 PI Add'l Move Base	3,500	3,500	3,500	0	0	3,500	0	0	0	0	0	0
26102550 PI Add'l Move Cap	3,500	3,500	3,500	0	0	3,500	0	0	0	0	0	0
26102555 PI Traffic Control	1,560	0	0	0	0	0	0	0	0	0	0	0
26102595 PI Survey Monuments	2,500	2,500	2,500	0	0	2,500	0	0	0	0	0	0
26102620 PI Other	0	1,100	1,100	0	1,100	0	1,100	0	0	0	0	0
26200605 SS Stop Sign	1,275	0	0	0	0	0	0	0	0	0	0	0
26200515 SS Street Name	1,400	0	0	0	0	0	0	0	0	0	0	0
26200530 SS Blue RPM @ F H	425	0	0	0	0	0	0	0	0	0	0	0
26200605 SS Advance Sign	1,800	0	0	0	0	0	0	0	0	0	0	0
26250605 SDA Saturation	0	12,247	12,247	0	12,247	0	12,247	0	0	0	0	0
26250510 SDA 2" Base Under S/W	0	13,608	13,608	0	13,608	0	13,608	0	0	0	0	0
26250540 SDA Grade Walks/Approach	10,148	10,486	10,486	0	10,485	1	10,485	0	0	0	0	1-
26251005 SDA 4" Sidewalk	86,625	86,272	86,272	0	86,272	0	86,272	0	0	0	0	0
26251015 SDA 6" Drive Approach	71,280	0	0	0	0	0	0	0	0	0	0	0
26251025 SDA Access Ramp	3,900	21,258	21,258	0	21,258	0	21,258	0	0	0	0	0
26300510 SC Labor	0	1,729	3,672	1,944	3,672	0	1,080	0	2,592	0	2,592	0
26300515 SC Street Sweeping	30,186	30,458	0	30,458-	0	0	0	0	0	0	0	0
26300505 PR Concrete Repair	17,195	17,195	17,195	0	0	17,195	0	0	0	0	0	0
26300510 PR Point & Patch	11,435	11,435	11,435	0	0	11,435	0	0	0	0	0	0
26300535 PR CMG/AC Repair	8,239	8,239	8,239	0	0	8,239	0	0	0	0	0	0
26300540 PR Bond Repairs	9,900	9,900	9,900	0	0	9,900	0	0	0	0	0	0
26400505 XSI Extra Curb & Gutter	0	0	17,875	17,875	17,875	0	0	17,875	0	17,875	0	0
26400510 XSI Extra Pave Improve	0	0	7,774	7,774	7,774	0	0	7,774	0	7,774	0	0
27050215 BM 6'0" Spliface Wall	0	416,574	403,424	13,150-	403,425	1-	387,265	0	0	0	16,160	0
27050205 BM 6'0" Slump Wall	358,182	0	0	0	0	0	0	0	0	0	0	0
27050207 BM 6'0" Precision Wall	0	258,200	258,200	0	258,200	0	252,021	0	0	0	6,179	0
27301508 WF Man Gate	27,225	66,330	66,330	0	66,330	0	64,320	0	0	0	2,010	0
27302005 WF One Coat Paint	14,860	19,625	19,625	0	19,625	0	19,200	0	0	0	425	0
28050504 LC Work Area MdL Irr	0	8,133	8,133	0	8,133	0	0	0	8,133	0	8,133	0
28050505 LC Work Area 1 Irr	0	26,860	26,860	0	26,860	0	26,860	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	Budget Variance	Total Committed	Left to Commit	Open PDS / Contracts	Paid July	Paid August	Paid September	Paid ITO	Over/Under
28050510 LC Work Area 2 Irr	0	25,110	25,110	0	25,110	0	25,110	0	0	0	0	0
28050515 LC Work Area 3 Irr	0	14,022	14,022	0	14,022	0	14,022	0	0	0	0	0
28050520 LC Work Area 4 Irr	0	22,434	22,434	0	22,434	0	22,434	0	0	0	0	0
28050525 LC Work Area 5 Irr	0	19,176	19,176	0	19,176	0	19,176	0	0	0	0	0
28050530 LC Work Area 6 Irr	0	14,787	14,787	0	14,787	0	14,787	0	0	0	0	0
28050535 LC Work Area 7 Irr	0	24,472	24,472	0	24,472	0	24,472	0	0	0	0	0
28050540 LC Work Area 8 Irr	0	26,602	26,602	0	26,602	0	26,602	0	0	0	0	0
28050545 LC Work Area 9 Irr	0	11,691	11,691	0	11,691	0	11,691	0	0	0	0	0
28050550 LC Work Area 10 Irr	0	23,308	23,308	0	23,308	0	23,308	0	0	0	0	0
28050555 LC Work Area 11 Irr	0	14,241	14,241	0	14,241	0	14,241	0	0	0	0	0
28050560 LC Work Area 12 Irr	0	26,918	26,918	0	26,918	0	26,918	0	0	0	0	0
28050565 LC Work Area 13 Irr	0	8,817	8,817	0	8,817	0	8,817	0	0	0	0	0
28050570 LC Work Area 14 Irr	0	13,224	13,224	0	13,224	0	13,224	0	0	0	0	0
28050575 LC Work Area 15 Irr	0	11,946	11,946	0	11,946	0	11,946	0	0	0	0	0
28050581 LC Work Area 17 Irr	0	28,210	28,210	0	28,210	0	28,210	0	0	0	0	0
28050595 LC Work Area B/O Irr	0	4,119	4,119	0	4,119	0	4,119	0	0	0	0	0
28051004 LC Work Area MdL Plants	0	31,722	31,722	0	31,722	0	0	0	16,728	0	31,722	0
28051005 LC Work Area 1 Planting	0	50,445	50,445	0	50,445	0	50,445	0	0	0	0	0
28051010 LC Work Area 2 Planting	0	57,807	57,807	0	57,807	0	57,807	0	0	0	0	0
28051015 LC Work Area 3 Planting	0	22,410	22,410	0	22,410	0	22,410	0	0	0	0	0
28051020 LC Work Area 4 Planting	0	47,052	47,052	0	47,052	0	47,052	0	0	0	0	0
28051025 LC Work Area 5 Planting	0	33,399	33,399	0	33,399	0	33,399	0	0	0	0	0
28051030 LC Work Area 6 Planting	0	23,193	23,193	0	23,193	0	23,193	0	0	0	0	0
28051035 LC Work Area 7 Planting	0	47,745	47,745	0	47,745	0	47,745	0	0	0	0	0
28051040 LC Work Area 8 Planting	0	56,790	56,790	0	56,790	0	56,790	0	0	0	0	0
28051045 LC Work Area 9 Planting	0	18,873	18,873	0	18,873	0	18,873	0	0	0	0	0
28051050 LC Work Area 10 Planting	0	51,372	51,372	0	51,372	0	51,372	0	0	0	0	0
28051055 LC Work Area 11 Planting	0	21,463	21,463	0	21,463	0	21,463	0	0	0	0	0
28051060 LC Work Area 12 Planting	0	52,335	52,335	0	52,335	0	52,335	0	0	0	0	0
28051065 LC Work Area 13 Planting	0	17,748	17,748	0	17,748	0	17,748	0	0	0	0	0
28051070 LC Work Area 14 Planting	0	24,561	24,561	0	24,561	0	24,561	0	0	0	0	0
28051075 LC Work Area 15 Planting	0	19,134	19,134	0	19,134	0	19,134	0	0	0	0	0
28051081 LC Work Area 17 Planting	0	25,305	25,305	0	25,305	0	25,305	0	0	0	0	0
28051095 LC Work Area B/O Plants	0	9,486	9,486	0	9,486	0	9,486	0	0	0	0	0
28051504 LC Work Area MdL Maint	0	1,200	1,200	0	1,200	0	0	0	1,200	0	1,200	0
28051505 LC Work Area 1 Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0
28051510 LC Work Area 2 Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0
28051515 LC Work Area 3 Maint	0	750	750	0	750	0	750	0	0	0	0	0
28051520 LC Work Area 4 Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0
28051525 LC Work Area 5 Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0
28051530 LC Work Area 6 Maint	0	750	750	0	750	0	750	0	0	0	0	0
28051535 LC Work Area 7 Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0
28051540 LC Work Area 8 Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0
28051545 LC Work Area 9 Maint	0	750	750	0	750	0	750	0	0	0	0	0
28051550 LC Work Area 10 Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0
28051555 LC Work Area 11 Maint	0	750	750	0	750	0	750	0	0	0	0	0
28051560 LC Work Area 12 Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0
28051565 LC Work Area 13 Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITO	Over/Under
28051570 LC Work Area 14 Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0
28051575 LC Work Area 15 Maint	0	750	750	0	750	0	750	0	0	0	0	0
28051581 LC Work Area 17 Maint	0	900	900	0	900	0	900	0	0	0	0	0
28051595 LC Work Area R/O Maint	0	1,200	1,200	0	1,200	0	1,200	0	0	0	0	0
28052001 LC FL Front Landscape	821,560	0	0	0	0	0	0	0	0	0	0	0
28250510 OL Landscape Parkway	129,094	0	0	0	0	0	0	0	0	0	0	0
28250520 OL Extra Landscape	38,728	0	0	0	0	0	0	0	0	0	0	0
28301595 HB Gang Box	27,225	27,225	33,895	6,770	33,895	0	33,895	0	0	0	0	0
29350518 GR Debris Removal	74,250	45,000	45,000	0	45,000	0	45,000	0	0	0	0	0
29350512 GR Home-Site Clean	32,198	50,698	59,698	9,000	24,408	35,290	3,888	0	20,520	0	20,520	0
29600505 RB Electric	11,870	0	0	0	0	0	0	0	0	0	0	0
29600515 RB Telephone	14,000	0	0	0	0	0	0	0	0	0	0	0
29600525 RB Gas	41,910	0	0	0	0	0	0	0	0	0	0	0
29600535 RB Gas Joint Trench	5,250	0	0	0	0	0	0	0	0	0	0	0
29600540 RB Meter Deposits	164,630	0	0	0	0	0	0	0	0	0	0	0
29600595 Contingency (All)	410,583	111,078	129,658	68,210	0	42,868	0	0	0	0	0	1
11629000 Crawford @ Greenwood	4,278,754	3,782,958	3,732,256	50,702	3,319,244	413,012	2,411,707	40,426	125,935	10,141	907,537	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITO	Over/Under
11629001 Crawford @ Greenwood												
21050505 DD Prelim Investigation	0	0	704	704	704	0	0	0	0	0	704	0
21100505 SE Office Engineering	116,325	98,001	98,001	0	98,001	0	43	0	0	0	97,958	0
21100510 SE Field Engineering	45,045	63,000	63,000	0	63,000	0	50,379	3,161	5,929	2,398	12,621	0
21100512 SE Office/Field Engin	11,633	0	0	0	0	0	0	0	0	0	0	0
21100515 SE Plot Plan Design	4,505	0	0	0	0	0	0	0	0	0	0	0
21100535 SE Extras Office Eng	0	12,002	12,002	0	8,250	3,752	454	53	6,195	449	7,796	0
21100540 SE Extras Field Eng	0	15,221	27,821	12,600	27,821	0	25,467	0	820	170	2,354	0
21101005 SE Util Planner Contract	7,425	7,200	7,200	0	7,200	0	3,855	1,995	900	0	3,345	0
21101010 SE Util Planner Extra	743	968	968	0	968	0	0	0	0	0	0	0
21101065 SE Lot Exhibit	10,395	10,395	10,395	0	10,395	0	8,190	0	1,575	0	2,295	0
21101075 SE Refund Tracking	12,000	12,000	12,000	0	12,000	0	12,000	0	0	0	0	0
21101505 SE Landscape Arch Cont	62,500	62,500	62,500	0	62,500	0	5,400	0	0	0	57,100	0
21101510 SE Landscape Arch Extra	6,250	6,250	6,250	0	6,250	0	0	0	0	0	0	0
21101515 SE Landscape Monitoring	34,000	34,000	34,000	0	34,000	0	0	0	0	0	0	0
21102005 SE Light Consult Cont	8,500	6,800	6,800	0	6,800	0	0	0	0	0	6,800	0
21150015 SD Post Grading Soils	89,100	89,466	89,466	0	89,466	0	73,325	1,937	0	0	16,141	0
21150040 SD Extra Post Grading	8,910	8,544	8,544	0	8,544	0	0	0	0	0	0	0
21250025 HE Processing Government	0	38,954	38,954	0	38,954	0	27,897	448	2,887	0	11,057	0
21300005 RE Reprographics	18,000	18,000	18,000	0	18,000	0	0	0	0	0	0	0
22350505 SB Premiums	60,525	60,525	60,525	0	4,364	56,161	0	0	0	0	4,364	0
22350510 SB Grading	4,500	0	0	0	0	0	0	0	0	0	0	0
22350590 SB Cash Bond	0	52,522	194,664	142,142	244,764	50,100	0	50,100	50,100	0	244,764	50,100
29602200 RB Cash Bond	0	52,522	194,664	142,142	0	194,664	0	0	0	0	0	0
29800595 Contingency (All)	43,533	43,533	43,533	0	0	43,533	0	0	0	0	0	0
29800520 Contingency Fee Increase	437,720	389,816	389,816	0	0	389,816	0	0	0	0	0	0
1367 Dept of Fish & Game												
30001030 Dept of Fish & Game	250	0	0	0	0	0	0	0	0	0	0	0
30001040 NPDES/SAPP	3,255	3,255	3,255	0	0	3,255	0	0	0	0	0	0
30001050 Trans Fees/Traffic Signal	385,127	385,127	385,127	0	0	385,127	0	0	0	0	0	0
30001054 Trans Fees/Traffic Impact	1,102,962	1,102,962	475,244	626,718	168,815	307,429	0	61,840	50,245	0	168,815	0
30001050 Development Impact Fees	34,650	34,650	34,650	0	0	34,650	0	0	0	0	0	0
30001070 Fire Fees	25,343	25,343	25,343	0	4,982	20,361	0	0	3,264	0	4,982	0
30001094 School Fees I	1,066,307	1,066,307	1,209,375	143,068	524,378	604,997	0	191,708	151,919	0	524,378	0
30001107 Sewer Connection	421,740	428,105	428,136	30	12,972	415,164	0	0	17,296	0	12,972	0
30001110 Sewer Capacity	471,634	478,479	478,479	0	0	478,479	0	0	0	0	0	0
30001130 Water Connection Fee	241,065	244,728	244,728	0	7,416	237,312	0	0	0	0	7,416	0
30001144 Water Meter Fee	18,465	24,750	24,750	0	24,750	0	0	0	0	0	24,750	0
30001150 Precise Grade PC&I	0	15,700	15,700	0	8,705	6,995	0	0	185	428	8,705	0
30001154 Landscape PC&I	4,500	7,450	11,686	4,236	11,888	202	0	0	0	202	11,888	202
30001157 Well PC&I	3,500	3,500	3,818	318	4,020	202	0	0	0	202	4,020	202
30001169 Retaining Walls PC&I	0	0	0	0	443	443	0	443	0	0	443	443
30001164 Building Permits	533,154	533,154	533,307	60,147	269,566	323,735	0	91,317	67,461	5,435	269,566	0
11629001 Crawford @ Greenwood	5,293,781	5,330,686	4,925,071	405,615	1,712,154	3,212,917	207,010	403,002	324,185	9,284	1,506,144	50,947

3732256
4925071
8,165,327

907537
1505144
2,912,681

*Huntley at Greenwood at Tustin Legacy***PROJECT DEVELOPMENT BUDGET**

	PTD	CTC	Q3 15
Permits and Fees - Land			
3110 Sewer District Fees - Land	121,080	540,581	961,661
3115 Water District Fees - Land	89,596	119,998	209,594
3120 School Fees - Land	268,451	465,004	733,475
3125 Government Fees	147,885	14,512.78	162,397
3128 Park Fees - Land	-	-	0
3130 Special Fees - Land	117,908	952,059	1,069,965
3140 Plan Check - Land	-	-	0
3199 Contingency	-	-	0
Permits and Fees - Land	744,917	2,092,174	2,837,991

Land Development Budget**Siteworks:**

7106 Clearing/Pregrade	-	-	0
7110 Grading	-	-	0
7114 Slope & Erosion Control	26,312	50,888	77,000
7116 Lot Recertification	21,020	40,120	62,040
7120 Retaining Walls	-	-	0
7124 Utilities-Internal	-	-	0
7126 Storm Sewer - Internal	-	21,267	21,267
7130 Sanitary Sewer	-	5,615	5,615
7134 Water Distribution	-	27,723	27,723
7137 Water Tank	-	-	0
7146 Electrical/Tel Distribution (Deposits)	-	49,850	49,850
7147 Gas Installation (Deposits)	-	-	0
7150 Street Lighting	-	-	0
7152 Signalization	-	-	0
7156 Utility Trenching	-	-	0
7158 Hi-Tech Communication	-	-	0
7159 Paving	9,448	26,669	36,117
7160 Street Improvs	-	110,000	110,000
7161 Curb & gutter	-	7,064	7,064
7162 Street Signs	-	-	0
7164 Streets Decor Paving	-	-	0
7166 Walls, Gates & Fences	-	-	0
7174 Street Maintenance & Repair	-	15,400	15,400
7176 Curbto Resurfacement	-	-	0
7180 Mello Roos Financing	-	-	0
7182 Trench Recoveries	-	-	0
7199 Contingency	-	-	0

Landscape and Amenities:

7204 Rec Bldg Furnishing	-	-	0
7208 Recreation Building/Toilets etc.	-	-	0
7212 Barbecue Firepits	-	-	0
7214 Playground Equipment	-	-	0
7220 Parking Lot	-	-	0
7222 Project Handscpe	-	-	0
7228 Guard Gates/System	-	-	0
7230 Masonry Walls and Fences	-	-	0
7238 Patio Structure/Gazebo	-	-	0
7240 Concrete Hardscpe	-	-	0
7242 Swimming Pool	-	-	0
7244 Pool Deck	-	-	0
7246 Pool Equipment	-	-	0
7248 Pool Furniture	-	-	0
7252 Drainage System	-	-	0
7258 Lighting - Electrical	-	-	0
7260 Entry Monuments	-	-	0
7262 Trails & Pathways	-	-	0
7272 Landscape Irrigation	-	-	0
7274 Landscape Planting/Softscpe	-	226,000	226,000
7278 Mailboxes	-	-	0
7280 Maintenance & Repair	-	-	0
7299 Contingency	-	-	0
Land Development- Internal & Ext Con	57,680	581,436	639,116

*Huntley at Greenwood at Tustin Legacy***PROJECT DEVELOPMENT BUDGET**

	PTD	CTC	Q3 15
HOUSING BUDGET			
Permits & Fees - Housing			
20010 Housing Plan Check/Permits	227,655	148,239	375,894
20011 Engineering Permits	27,447	(27,447)	0
20012 School Fees	-	-	0
20014 Transportation Fees	-	-	0
20016 Sewer Connection Fees	-	-	0
20026 Water Connection Fees	-	-	0
20028 Business Licenses	-	1,000	1,000
20099 Contingency	-	37,686	37,686
Permits & Fees - Housing	255,102	159,481	414,583

Housing Area Costs

22110 Deep Foundations	-	-	0
22114 Retaining Walls	-	-	0
22116 Fencing	-	480,650	480,650
22118 Utility Service Connections	-	38,500	38,500
22122 Flag Lot Drives	-	-	0
22126 Additional Inspections	-	-	0
22128 Sewer - House Connections	-	38,500	38,500
22130 Sewer - Backflow Device	-	-	0
22131 Water-House Connections	-	15,400	15,400
22132 Front Yard Landscaping	-	-	0
22134 Infill Lot Costs	-	-	0
22135 Area Drainage	-	105,500	105,500
22140 Concrete Flatwork	-	116,106	116,106
22142 Mailboxes	-	-	0
22144 Finish Grading	1,760	58,340	60,100
22146 Grading Dirt Hauling	6,300	49,150	55,450
22147 Street Repairs and Removals	-	23,100	23,100
22153 Bulk Purchases	-	-	0
22199 Contingency - Housing Area Costs	-	21,525	21,525
Housing Area Costs	8,060	946,773	954,833

Master Development

Huntley at Greenwood at Tustin Legacy

PROJECT DEVELOPMENT BUDGET

PTD CTC Q3 15

Permits and Fees - Land			
3110	State District Fees - Land	121,000	540,261
3115	Water District Fees - Land	80,200	118,800
3120	School Fees - Land	268,451	466,524
3125	Government Fees	147,985	14,512.78
3126	Pack Fees - Land	-	662,397
3130	Special Fees - Land	117,500	952,059
3140	Plan Check - Land	-	1,069,965
3189	Contingency	-	0
Permits and Fees - Land		744,317	2,082,114
			2,837,091

Land Development Budget

Showrooms			
7100	Cleaning Programs	-	0
7110	Grading	26,312	40,628
7112	Gravel & Drainage Control	-	77,000
7116	Lot Reconfiguration	21,500	40,120
7120	Retaining Walls	-	62,040
7124	Utilities Internal	-	0
7125	Utilities External	-	21,927
7130	Sewer Sewer	-	6,615
7134	Water Distribution	27,723	27,723
7137	Water Tank	-	0
7140	Gas Distribution (Deposits)	40,850	40,850
7147	Gas Installation (Deposits)	-	0
7150	Steel Lighting	-	0
7152	Signalization	-	0
7158	Utility Meeting	-	0
7160	Paving Construction	9,448	26,689
7160	Steel Pipes	-	36,117
7161	Steel Pipes	-	110,000
7161	Curb & Gutter	-	7,084
7161	Storm Sewer	-	0
7164	Street Curb Paving	-	0
7164	Water, Cans & Fences	-	0
7174	Street Maintenance & Repair	15,400	15,400
7176	Storm Sewer	-	0
7180	Mano Road Paving	-	0
7182	Trench Reoverses	-	0
7189	Contingency	-	0

LANDSCAPE AND MAINTENANCE

7204	Rec Bins - Recycling	-	0
7205	Recycling Bins - Glass etc.	-	0
7206	Recycling Bins - Paper	-	0
7207	Recycling Bins - Plastic	-	0
7208	Recycling Bins - Metal	-	0
7209	Recycling Bins - Textiles	-	0
7210	Recycling Bins - Electronics	-	0
7211	Recycling Bins - Hazardous Waste	-	0
7212	Recycling Bins - Organic Waste	-	0
7213	Recycling Bins - Compost	-	0
7214	Recycling Bins - Glass	-	0
7215	Recycling Bins - Paper	-	0
7216	Recycling Bins - Plastic	-	0
7217	Recycling Bins - Metal	-	0
7218	Recycling Bins - Textiles	-	0
7219	Recycling Bins - Electronics	-	0
7220	Recycling Bins - Hazardous Waste	-	0
7221	Recycling Bins - Organic Waste	-	0
7222	Recycling Bins - Compost	-	0
7223	Recycling Bins - Glass	-	0
7224	Recycling Bins - Paper	-	0
7225	Recycling Bins - Plastic	-	0
7226	Recycling Bins - Metal	-	0
7227	Recycling Bins - Textiles	-	0
7228	Recycling Bins - Electronics	-	0
7229	Recycling Bins - Hazardous Waste	-	0
7230	Recycling Bins - Organic Waste	-	0
7231	Recycling Bins - Compost	-	0
7232	Recycling Bins - Glass	-	0
7233	Recycling Bins - Paper	-	0
7234	Recycling Bins - Plastic	-	0
7235	Recycling Bins - Metal	-	0
7236	Recycling Bins - Textiles	-	0
7237	Recycling Bins - Electronics	-	0
7238	Recycling Bins - Hazardous Waste	-	0
7239	Recycling Bins - Organic Waste	-	0
7240	Recycling Bins - Compost	-	0
7241	Recycling Bins - Glass	-	0
7242	Recycling Bins - Paper	-	0
7243	Recycling Bins - Plastic	-	0
7244	Recycling Bins - Metal	-	0
7245	Recycling Bins - Textiles	-	0
7246	Recycling Bins - Electronics	-	0
7247	Recycling Bins - Hazardous Waste	-	0
7248	Recycling Bins - Organic Waste	-	0
7249	Recycling Bins - Compost	-	0
7250	Recycling Bins - Glass	-	0
7251	Recycling Bins - Paper	-	0
7252	Recycling Bins - Plastic	-	0
7253	Recycling Bins - Metal	-	0
7254	Recycling Bins - Textiles	-	0
7255	Recycling Bins - Electronics	-	0
7256	Recycling Bins - Hazardous Waste	-	0
7257	Recycling Bins - Organic Waste	-	0
7258	Recycling Bins - Compost	-	0
7259	Recycling Bins - Glass	-	0
7260	Recycling Bins - Paper	-	0
7261	Recycling Bins - Plastic	-	0
7262	Recycling Bins - Metal	-	0
7263	Recycling Bins - Textiles	-	0
7264	Recycling Bins - Electronics	-	0
7265	Recycling Bins - Hazardous Waste	-	0
7266	Recycling Bins - Organic Waste	-	0
7267	Recycling Bins - Compost	-	0
7268	Recycling Bins - Glass	-	0
7269	Recycling Bins - Paper	-	0
7270	Recycling Bins - Plastic	-	0
7271	Recycling Bins - Metal	-	0
7272	Recycling Bins - Textiles	-	0
7273	Recycling Bins - Electronics	-	0
7274	Recycling Bins - Hazardous Waste	-	0
7275	Recycling Bins - Organic Waste	-	0
7276	Recycling Bins - Compost	-	0
7277	Recycling Bins - Glass	-	0
7278	Recycling Bins - Paper	-	0
7279	Recycling Bins - Plastic	-	0
7280	Recycling Bins - Metal	-	0
7281	Recycling Bins - Textiles	-	0
7282	Recycling Bins - Electronics	-	0
7283	Recycling Bins - Hazardous Waste	-	0
7284	Recycling Bins - Organic Waste	-	0
7285	Recycling Bins - Compost	-	0
7286	Recycling Bins - Glass	-	0
7287	Recycling Bins - Paper	-	0
7288	Recycling Bins - Plastic	-	0
7289	Recycling Bins - Metal	-	0
7290	Recycling Bins - Textiles	-	0
7291	Recycling Bins - Electronics	-	0
7292	Recycling Bins - Hazardous Waste	-	0
7293	Recycling Bins - Organic Waste	-	0
7294	Recycling Bins - Compost	-	0
7295	Recycling Bins - Glass	-	0
7296	Recycling Bins - Paper	-	0
7297	Recycling Bins - Plastic	-	0
7298	Recycling Bins - Metal	-	0
7299	Recycling Bins - Textiles	-	0
7300	Recycling Bins - Electronics	-	0
7301	Recycling Bins - Hazardous Waste	-	0
7302	Recycling Bins - Organic Waste	-	0
7303	Recycling Bins - Compost	-	0
7304	Recycling Bins - Glass	-	0
7305	Recycling Bins - Paper	-	0
7306	Recycling Bins - Plastic	-	0
7307	Recycling Bins - Metal	-	0
7308	Recycling Bins - Textiles	-	0
7309	Recycling Bins - Electronics	-	0
7310	Recycling Bins - Hazardous Waste	-	0
7311	Recycling Bins - Organic Waste	-	0
7312	Recycling Bins - Compost	-	0
7313	Recycling Bins - Glass	-	0
7314	Recycling Bins - Paper	-	0
7315	Recycling Bins - Plastic	-	0
7316	Recycling Bins - Metal	-	0
7317	Recycling Bins - Textiles	-	0
7318	Recycling Bins - Electronics	-	0
7319	Recycling Bins - Hazardous Waste	-	0
7320	Recycling Bins - Organic Waste	-	0
7321	Recycling Bins - Compost	-	0
7322	Recycling Bins - Glass	-	0
7323	Recycling Bins - Paper	-	0
7324	Recycling Bins - Plastic	-	0
7325	Recycling Bins - Metal	-	0
7326	Recycling Bins - Textiles	-	0
7327	Recycling Bins - Electronics	-	0
7328	Recycling Bins - Hazardous Waste	-	0
7329	Recycling Bins - Organic Waste	-	0
7330	Recycling Bins - Compost	-	0
7331	Recycling Bins - Glass	-	0
7332	Recycling Bins - Paper	-	0
7333	Recycling Bins - Plastic	-	0
7334	Recycling Bins - Metal	-	0
7335	Recycling Bins - Textiles	-	0
7336	Recycling Bins - Electronics	-	0
7337	Recycling Bins - Hazardous Waste	-	0
7338	Recycling Bins - Organic Waste	-	0
7339	Recycling Bins - Compost	-	0
7340	Recycling Bins - Glass	-	0
7341	Recycling Bins - Paper	-	0
7342	Recycling Bins - Plastic	-	0
7343	Recycling Bins - Metal	-	0
7344	Recycling Bins - Textiles	-	0
7345	Recycling Bins - Electronics	-	0
7346	Recycling Bins - Hazardous Waste	-	0
7347	Recycling Bins - Organic Waste	-	0
7348	Recycling Bins - Compost	-	0
7349	Recycling Bins - Glass	-	0
7350	Recycling Bins - Paper	-	0
7351	Recycling Bins - Plastic	-	0
7352	Recycling Bins - Metal	-	0
7353	Recycling Bins - Textiles	-	0
7354	Recycling Bins - Electronics	-	0
7355	Recycling Bins - Hazardous Waste	-	0
7356	Recycling Bins - Organic Waste	-	0
7357	Recycling Bins - Compost	-	0
7358	Recycling Bins - Glass	-	0
7359	Recycling Bins - Paper	-	0
7360	Recycling Bins - Plastic	-	0
7361	Recycling Bins - Metal	-	0
7362	Recycling Bins - Textiles	-	0
7363	Recycling Bins - Electronics	-	0
7364	Recycling Bins - Hazardous Waste	-	0
7365	Recycling Bins - Organic Waste	-	0
7366	Recycling Bins - Compost	-	0
7367	Recycling Bins - Glass	-	0
7368	Recycling Bins - Paper	-	0
7369	Recycling Bins - Plastic	-	0
7370	Recycling Bins - Metal	-	0
7371	Recycling Bins - Textiles	-	0
7372	Recycling Bins - Electronics	-	0
7373	Recycling Bins - Hazardous Waste	-	0
7374	Recycling Bins - Organic Waste	-	0
7375	Recycling Bins - Compost	-	0
7376	Recycling Bins - Glass	-	0
7377	Recycling Bins - Paper	-	0
7378	Recycling Bins - Plastic	-	0
7379	Recycling Bins - Metal	-	0
7380	Recycling Bins - Textiles	-	0
7381	Recycling Bins - Electronics	-	0
7382	Recycling Bins - Hazardous Waste	-	0
7383	Recycling Bins - Organic Waste	-	0
7384	Recycling Bins - Compost	-	0
7385	Recycling Bins - Glass	-	0
7386	Recycling Bins - Paper	-	0
7387	Recycling Bins - Plastic	-	0
7388	Recycling Bins - Metal	-	0
7389	Recycling Bins - Textiles	-	0
7390	Recycling Bins - Electronics	-	0
7391	Recycling Bins - Hazardous Waste	-	0
7392	Recycling Bins - Organic Waste	-	0
7393	Recycling Bins - Compost	-	0
7394	Recycling Bins - Glass	-	0
7395	Recycling Bins - Paper	-	0
7396	Recycling Bins - Plastic	-	0
7397	Recycling Bins - Metal	-	0
7398	Recycling Bins - Textiles	-	0
7399	Recycling Bins - Electronics	-	0
7400	Recycling Bins - Hazardous Waste	-	0
7401	Recycling Bins - Organic Waste	-	0
7402	Recycling Bins - Compost	-	0
7403	Recycling Bins - Glass	-	0
7404	Recycling Bins - Paper	-	0
7405	Recycling Bins - Plastic	-	0
7406	Recycling Bins - Metal	-	0
7407	Recycling Bins - Textiles	-	0
7408	Recycling Bins - Electronics	-	0
7409	Recycling Bins - Hazardous Waste	-	0
7410	Recycling Bins - Organic Waste	-	0
7411	Recycling Bins - Compost	-	0
7412	Recycling Bins - Glass	-	0
7413	Recycling Bins - Paper	-	0
7414	Recycling Bins - Plastic	-	0
7415	Recycling Bins - Metal	-	0
7416	Recycling Bins - Textiles	-	0
7417	Recycling Bins - Electronics	-	0
7418	Recycling Bins - Hazardous Waste	-	0
7419	Recycling Bins - Organic Waste	-	0
7420	Recycling Bins - Compost	-	0
7421	Recycling Bins - Glass	-	0
7422	Recycling Bins - Paper	-	0
7423	Recycling Bins - Plastic	-	0
7424	Recycling Bins - Metal	-	0
7425	Recycling Bins - Textiles	-	0
7426	Recycling Bins - Electronics	-	0
7427	Recycling Bins - Hazardous Waste	-	0
7428	Recycling Bins - Organic Waste	-	0
7429	Recycling Bins - Compost	-	0
7430	Recycling Bins - Glass	-	0
7431	Recycling Bins - Paper	-	0
7432	Recycling Bins - Plastic	-	0
7433	Recycling Bins - Metal	-	0
7434	Recycling Bins - Textiles	-	0
7435	Recycling Bins - Electronics	-	0
7436	Recycling Bins - Hazardous Waste	-	0
7437	Recycling Bins - Organic Waste	-	0
7438	Recycling Bins - Compost	-	0
7439	Recycling Bins - Glass	-	0
7440	Recycling Bins - Paper	-	0
7441	Recycling Bins - Plastic	-	0
7442	Recycling Bins - Metal	-	0
7443	Recycling Bins - Textiles	-	0
7444	Recycling Bins - Electronics	-	0
7445	Recycling Bins - Hazardous Waste	-	0
7446	Recycling Bins - Organic Waste	-	0
7447	Recycling Bins - Compost	-	0
7448	Recycling Bins - Glass	-	0
7449	Recycling Bins - Paper	-	0
7450	Recycling Bins - Plastic	-	0
7451	Recycling Bins - Metal	-	0
7452	Recycling Bins - Textiles	-	0
7453	Recycling Bins - Electronics	-	0
7454	Recycling Bins - Hazardous Waste	-	0
7455	Recycling Bins - Organic Waste	-	0
7456	Recycling Bins - Compost	-	0
7457	Recycling Bins - Glass	-	0
7458	Recycling Bins - Paper	-	0
7459	Recycling Bins - Plastic	-	0
7460	Recycling Bins - Metal	-	0
7461	Recycling Bins - Textiles	-	0
7462	Recycling Bins - Electronics	-	0
7463	Recycling Bins - Hazardous Waste	-	0
7464	Recycling Bins - Organic Waste	-	0
7465	Recycling Bins - Compost	-	0
7466	Recycling Bins - Glass	-	0
7467	Recycling Bins - Paper	-	0
7468	Recycling Bins - Plastic	-	0
7469	Recycling Bins - Metal	-	0
7470	Recycling Bins - Textiles	-	0
7471	Recycling Bins - Electronics	-	0
7472	Recycling Bins - Hazardous Waste	-	0
7473	Recycling Bins - Organic Waste	-	0
7474	Recycling Bins - Compost	-	0
7475	Recycling Bins - Glass	-	0
7476	Recycling Bins - Paper	-	0
7477	Recycling Bins - Plastic	-	0
7478	Recycling Bins - Metal	-	0
7479	Recycling Bins - Textiles	-	0
7480	Recycling Bins - Electronics	-	0
7481	Recycling Bins - Hazardous Waste	-	0
7482	Recycling Bins - Organic Waste	-	0
7483	Recycling Bins - Compost	-	0
7484	Recycling Bins - Glass	-	0
7485	Recycling Bins - Paper	-	0
7486	Recycling Bins - Plastic	-	0
7487	Recycling Bins - Metal	-	0
7488	Recycling Bins - Textiles	-	0
7489	Recycling Bins - Electronics	-	0
7490	Recycling Bins - Hazardous Waste	-	0
7491	Recycling Bins - Organic Waste	-	0
7492	Recycling Bins - Compost	-	0
7493	Recycling Bins - Glass	-	0
7494	Recycling Bins - Paper	-	0
7495	Recycling Bins - Plastic	-	0
7496	Recycling Bins - Metal	-	0
7497	Recycling Bins - Textiles	-	0
7498	Recycling Bins - Electronics	-	0
7499	Recycling Bins - Hazardous Waste	-	0
7500	Recycling Bins - Organic Waste	-	0
7501	Recycling Bins - Compost	-	0
7502	Recycling Bins - Glass	-	0
7503	Recycling Bins - Paper	-	0
7504	Recycling Bins - Plastic	-	0
7505	Recycling Bins - Metal	-	0
7506	Recycling Bins - Textiles	-	0
7507	Recycling Bins - Electronics	-	0
7508	Recycling Bins - Hazardous Waste	-	0
7509	Recycling Bins - Organic Waste	-	0
7510	Recycling Bins - Compost	-	0
7511	Recycling Bins - Glass	-	0
7512	Recycling Bins - Paper	-	0
7513	Recycling Bins - Plastic	-	0
7514	Recycling Bins - Metal	-	0
7515	Recycling Bins - Textiles	-	0
7516	Recycling Bins - Electronics	-	0
7517	Recycling Bins - Hazardous Waste	-	0
7518	Recycling Bins - Organic Waste	-	0
7519	Recycling Bins - Compost	-	0
7520	Recycling Bins - Glass	-	0
7521	Recycling Bins - Paper	-	0
7522	Recycling Bins - Plastic	-	0
7523	Recycling Bins - Metal	-	0
7524	Recycling Bins - Textiles	-	0
7525	Recycling Bins - Electronics	-	0
7526	Recycling Bins - Hazardous Waste	-	0
7527	Recycling Bins - Organic Waste	-	0
7528	Recycling Bins - Compost	-	0
7529	Recycling Bins - Glass	-	0
7530	Recycling Bins - Paper	-	0
7531	Recycling Bins - Plastic	-	0
7532	Recycling Bins - Metal	-	0
7533	Recycling Bins - Textiles	-	0
7534	Recycling Bins - Electronics	-	0
7535	Recycling Bins - Hazardous Waste	-	0
7536	Recycling Bins - Organic Waste	-	0
7537	Recycling Bins - Compost	-	0
7538	Recycling Bins - Glass	-	0
7539	Recycling Bins - Paper	-	0
7540	Recycling Bins - Plastic	-	0
7541	Recycling Bins - Metal	-	0
7542	Recycling Bins - Textiles	-	0
7543	Recycling Bins - Electronics	-	0
7544	Recycling Bins - Hazardous Waste	-	0
7545	Recycling Bins - Organic Waste	-	0
7546	Recycling Bins - Compost	-	0
7547	Recycling Bins - Glass	-	0
7548	Recycling Bins - Paper	-	0
7549	Recycling Bins - Plastic	-	0
7550	Recycling Bins - Metal	-	0
7551	Recycling Bins - Textiles	-	0
7552			

	Original Budget	.....Qtrly Budget as of June	Budget Chg as of September	Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
24197075 SD Concrete Inlet	32,490	0	0	0	0	0	0	0	0	0	0	0
24197599 SD Other	6,500	0	0	0	0	0	0	0	0	0	0	0
24150515 YD 4" SCH 40	103,000	0	0	0	0	0	0	0	0	0	0	0
24151505 YD PH 1 Yard Drains	0	5,289	5,289	0	5,289	0	5,289	0	0	0	0	0
24151510 YD PH 2 Yard Drains	0	6,279	6,279	0	6,279	0	6,279	0	0	0	0	0
24151515 YD PH 3 Yard Drains	0	8,223	8,223	0	8,223	0	8,223	0	0	0	0	0
24151520 YD PH 4 Yard Drains	0	12,663	12,663	0	12,663	0	12,663	0	0	0	0	0
24151525 YD PH 5 Yard Drains	0	12,946	12,946	0	12,946	0	12,946	0	0	0	0	0
24151530 YD PH 6 Yard Drains	0	12,184	12,184	0	12,184	0	12,184	0	0	0	0	0
24151535 YD PH 7 Yard Drains	0	11,695	11,695	0	11,695	0	11,695	0	0	0	0	0
24151540 YD PH 8 Yard Drains	0	9,539	9,539	0	9,539	0	9,539	0	0	0	0	0
24151545 YD PH 9 Yard Drains	0	9,864	9,864	0	9,864	0	9,864	0	0	0	0	0
24151550 YD PH 10 Yard Drains	0	8,658	8,658	0	8,658	0	8,658	0	0	0	0	0
24151555 YD PH 11 Yard Drains	0	2,936	2,936	0	2,936	0	2,936	0	0	0	0	0
2420516 DW Remove Plug & Join	39,600	0	0	0	0	0	0	0	0	0	0	0
24201510 DW 6" PVC	0	51,300	51,300	0	51,300	0	0	0	0	0	51,300	0
24201515 DW 8" PVC	66,439	5,280	5,280	0	5,280	0	0	0	0	0	5,280	0
24204511 DW Fittings/Thrust Blocks	4,582	0	0	0	0	0	0	0	0	0	0	0
24204523 DW 2" Blowoff	37,800	0	0	0	0	0	0	0	0	0	0	0
24204555 DW Air Relief Valve	0	55,650	55,650	0	55,650	0	0	0	0	0	55,650	0
24205005 DW 1.0" Water Service	82,400	85,850	85,850	0	85,850	0	0	25,500	0	0	85,850	0
24205005 DW 1" Set/Rock M&B/Hook	25,750	0	0	0	0	0	0	0	0	0	0	0
24300515 CW Const Demand Charge	4,613	0	0	0	0	0	0	0	0	0	0	0
24300520 CW Irr Demand Charge	4,613	0	0	0	0	0	0	0	0	0	0	0
24351005 XMI Additional Move In	85,091	0	0	0	0	0	0	0	0	0	0	0
24351545 XMI SD Add'l Move In	70,909	0	0	0	0	0	0	0	0	0	0	0
25051005 UC MD 1 Main & Stub	162,410	0	0	0	0	0	0	0	0	0	0	0
25051505 UC MD 1 Service	61,800	61,800	0	61,800	0	0	0	0	0	0	0	0
25100505 EL Trenching Tax	40,400	0	0	0	0	0	0	0	0	0	0	0
25100525 EL Refundable Advance	215,460	0	0	0	0	0	0	0	0	0	0	0
25100530 EL Utility Tax Liability	5,960	0	0	0	0	0	0	0	0	0	0	0
25100550 EL Street Light	68,160	0	0	0	0	0	0	0	0	0	0	0
25100559 EL Rule 20 Undergrd.Fee	980	0	0	0	0	0	0	0	0	0	0	0
25100525 SL St.Light Elect.Charge	6,188	0	0	0	0	0	0	0	0	0	0	0
25300040 GS Gas Deposits	46,320	0	0	0	0	0	0	0	0	0	0	0
25350006 MP Painted Steel 100 AMP	3,650	3,650	0	3,650	0	0	0	0	0	0	0	0
26050505 CG +/- .5' Balance C & G	8,080	9,531	9,531	0	9,531	0	9,531	0	0	0	0	0
26051010 CG 6" x 24" Curb & Gutt	0	8,688	16,325	7,637	16,325	0	8,688	0	0	0	7,637	7,637
26051020 CG 8" x 18" Curb & Gutt	40,160	0	0	0	0	0	0	0	0	0	0	0
26051045 CG 4" Rolled Curb	0	38,962	38,962	0	38,962	0	38,962	0	0	0	0	0
26051085 CG 0" Curb Face	30,480	86,100	90,953	4,853	90,953	1	86,100	0	0	0	4,852	4,852
26052030 CG Backfill Curb&Gutter	3,283	0	0	0	0	0	0	0	0	0	0	0
26100505 PI Access Road	0	800	800	0	800	0	0	0	0	0	800	0
26100560 PI +/- .5' Balance St	16,820	18,025	20,294	1,689	20,294	1	9,582	0	0	0	1,689	10,711
26101036 PI 3" AC / 6" AB	0	105,944	113,718	7,774	113,718	0	54,567	0	0	0	7,774	59,151
26101045 PI 3" AC / 12" AB	135,763	0	0	0	0	0	0	0	0	0	0	0
26102545 PI Add'l Move Base	3,590	0	0	0	0	0	0	0	0	0	0	0
26102590 PI Overtime	0	8,182	0	8,182	0	0	0	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg as of September	Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
26102596 P1 Survey Monuments	2,000	0	0	0	0	0	0	0	0	0	0	0
26150510 DP Renewals	51,061	88,799	88,799	0	88,799	0	88,799	0	0	0	0	0
26151505 DP Interlocking Pavers	483,580	588,815	588,815	0	588,815	0	588,815	0	0	0	0	0
26152005 DP Sealer	30,036	0	0	0	0	0	0	0	0	0	0	0
26200505 SS Stop Sign	425	425	425	0	0	425	0	0	0	0	0	0
26200515 SS Street Name	700	700	700	0	0	700	0	0	0	0	0	0
26200530 SS Blue RPM 8 F H	225	225	225	0	0	225	0	0	0	0	0	0
26200585 SS Advance Sign	900	900	900	0	0	900	0	0	0	0	0	0
26200590 SS Misc Traffic Signs	350	350	350	0	0	350	0	0	0	0	0	0
26250505 SDA Saturation	0	3,866	3,866	0	3,866	0	3,866	0	0	0	0	0
26250510 SDA 2" Base Under S/W	0	4,061	4,061	0	4,061	0	4,061	0	0	0	0	0
26250540 SDA Grade Walks/Approach	4,200	1,250	1,250	0	1,250	0	1,250	0	0	0	0	0
26251005 SDA 4" Sidewalk	29,953	27,230	27,230	0	27,230	0	27,230	0	0	0	0	0
26251015 SDA 6" Drive Approach	37,080	0	0	0	0	0	0	0	0	0	0	0
26251025 SDA Access Ramp	2,600	28,988	28,988	0	28,988	0	28,988	0	0	0	0	0
26300510 SC Labor	0	2,376	2,376	2,376	2,376	0	1,080	0	1,296	0	1,296	0
26300515 SC Street Sweeping	23,994	23,994	21,618	2,376	0	21,618	0	0	0	0	0	0
26350505 PR Concrete Repair	3,692	3,692	3,692	0	0	3,692	0	0	0	0	0	0
26350510 PR Point & Patch	11,897	11,897	11,897	0	0	11,897	0	0	0	0	0	0
26350535 PR C&G/AC Repair	8,200	13,375	13,375	0	0	13,375	0	0	0	0	0	0
26350540 PR Bond Repairs	10,300	10,300	10,300	0	0	10,300	0	0	0	0	0	0
27052015 BW 6'0" Splitface Wall	0	112,500	112,500	0	112,500	0	99,892	0	0	0	12,608	0
27052055 BW 6'0" Slump Wall	184,950	0	0	0	0	0	0	0	0	0	0	0
27052077 BW 6'0" Precision Wall	0	191,680	191,680	0	191,680	0	180,766	0	0	0	10,914	0
27250505 MI Low Wrought Iron	0	4,690	4,690	0	4,690	0	4,690	0	0	0	0	0
27301520 MF Man Gate	28,325	44,805	44,805	0	44,805	0	43,500	0	0	0	1,305	0
27350505 OF Temp Chain Link	15,450	15,450	15,450	0	15,450	0	15,450	0	0	0	0	0
28050504 LC Work Area Mtl. Irr	0	5,320	5,320	0	5,320	0	0	5,320	0	0	5,320	0
28050505 LC Work Area 1 Irr	0	10,270	10,270	0	10,270	0	10,270	0	0	0	0	0
28050510 LC Work Area 2 Irr	0	10,136	10,136	0	10,136	0	10,136	0	0	0	0	0
28050515 LC Work Area 3 Irr	0	20,228	20,228	0	20,228	0	20,228	0	0	0	0	0
28050520 LC Work Area 4 Irr	0	22,930	22,930	0	22,930	0	22,930	0	0	0	0	0
28050525 LC Work Area 5 Irr	0	19,036	19,036	0	19,036	0	19,036	0	0	0	0	0
28050530 LC Work Area 6 Irr	0	16,724	16,724	0	16,724	0	16,724	0	0	0	0	0
28050535 LC Work Area 7 Irr	0	17,117	17,117	0	17,117	0	17,117	0	0	0	0	0
28050540 LC Work Area 8 Irr	0	10,398	10,398	0	10,398	0	10,398	0	0	0	0	0
28050545 LC Work Area 9 Irr	0	13,938	13,938	0	13,938	0	13,938	0	0	0	0	0
28050550 LC Work Area 10 Irr	0	15,746	15,746	0	15,746	0	15,746	0	0	0	0	0
28050595 LC Work Area 8/10 Irr	0	2,619	2,619	0	2,619	0	2,619	0	0	0	0	0
28051004 LC Work Area Mtl. Plants	0	11,245	11,245	0	11,245	0	11,245	0	0	0	11,245	0
28051005 LC Work Area 1 Planting	0	11,992	11,992	0	11,992	0	11,992	0	0	0	0	0
28051010 LC Work Area 2 Planting	0	12,114	12,114	0	12,114	0	12,114	0	0	0	0	0
28051015 LC Work Area 3 Planting	0	48,276	48,276	0	48,276	0	48,276	0	0	0	0	0
28051020 LC Work Area 4 Planting	0	30,883	30,883	0	30,883	0	30,883	0	0	0	0	0
28051025 LC Work Area 5 Planting	0	22,882	22,882	0	22,882	0	22,882	0	0	0	0	0
28051030 LC Work Area 6 Planting	0	23,522	23,522	0	23,522	0	23,522	0	0	0	0	0
28051035 LC Work Area 7 Planting	0	21,216	21,216	0	21,216	0	21,216	0	0	0	0	0
28051040 LC Work Area 8 Planting	0	18,523	18,523	0	18,523	0	18,523	0	0	0	0	0

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
28051045 LC Work Area 9 Planting	0	21,738	21,738	0	21,738	0	21,738	0	0	0	0	0
28051050 LC Work Area 10 Planting	0	19,849	19,849	0	19,849	0	19,849	0	0	0	0	0
28051095 LC Work Area 8/O Plants	0	5,151	5,151	0	5,151	0	5,151	0	0	0	0	0
28051504 LC Work Area Md.Maint	0	468	468	0	468	0	468	0	0	0	0	0
28051505 LC Work Area 1 Maint	0	435	435	0	435	0	435	0	0	0	0	0
28051510 LC Work Area 2 Maint	0	435	435	0	435	0	435	0	0	0	0	0
28051515 LC Work Area 3 Maint	0	1,425	1,425	0	1,425	0	1,425	0	0	0	0	0
28051520 LC Work Area 4 Maint	0	960	960	0	960	0	960	0	0	0	0	0
28051525 LC Work Area 5 Maint	0	750	750	0	750	0	750	0	0	0	0	0
28051530 LC Work Area 6 Maint	0	750	750	0	750	0	750	0	0	0	0	0
28051535 LC Work Area 7 Maint	0	705	705	0	705	0	705	0	0	0	0	0
28051540 LC Work Area 8 Maint	0	630	630	0	630	0	630	0	0	0	0	0
28051545 LC Work Area 9 Maint	0	705	705	0	705	0	705	0	0	0	0	0
28051550 LC Work Area 10 Maint	0	645	645	0	645	0	645	0	0	0	0	0
28051595 LC Work Area B/O Maint	0	120	120	0	120	0	120	0	0	0	0	0
28052001 LC FL Front Landscape	476,423	0	0	0	0	0	0	0	0	0	0	0
28250510 OL Landscape Parkway	67,958	0	0	0	0	0	0	0	0	0	0	0
28250520 OL Extra Landscape	20,387	20,387	0	20,387	0	0	0	0	0	0	0	0
28301505 RB Gang Box	28,325	22,175	24,725	2,550	24,725	0	24,725	0	0	0	0	0
29350510 GR Debris Removal	51,500	51,500	51,500	0	0	51,500	0	0	0	0	0	0
29350512 GR Home-Site Clean	25,594	25,594	25,594	0	14,688	10,906	3,240	0	11,448	0	11,448	0
29600515 MD Special Projects	0	0	6,270	6,270	6,270	0	5,115	0	1,155	0	1,155	0
29600505 RB Electric	13,690	0	0	0	0	0	0	0	0	0	0	0
29600515 RB Telephone	4,200	0	0	0	0	0	0	0	0	0	0	0
29600525 RB Gas	41,910	0	0	0	0	0	0	0	0	0	0	0
29600535 RB Gas Joint Trench	5,250	0	0	0	0	0	0	0	0	0	0	0
29600540 RB Meter Deposits	189,330	0	0	0	0	0	0	0	0	0	0	0
29600505 Contingency (All)	370,088	455,940	219,972	236,968	0	219,972	0	0	0	0	0	0
11649000 Sheldon @ Greenwood(Carria	3,816,585	3,471,501	3,174,819	296,682	2,655,512	519,307	1,917,744	72,080	42,178	21,952	737,768	0

3,174,819
4,172,342
7,347,161737,768
1,128,713
1,866,481

	Original Budget	.....Qtrly Budget as of June	Budget Chg Budget as of September	Budget Variance	Total Committed	Left to Commit	Open POs / Contracts	Paid July	Paid August	Paid September	Paid ITD	Over/Under
11649001 Sheldon @ Greenwood(Carria												
21050505 DD Prelim Investigation	0	0	704	704	704	0	0	0	0	0	704	0
21100505 SE Office Engineering	144,200	119,000	119,000	0	119,000	0	44	0	0	0	118,956	0
21100510 SE Field Engineering	61,800	79,000	79,000	0	79,000	0	72,951	1,335	0	0	6,049	0
21100512 SE Office/Field Engin	14,420	0	0	0	0	0	0	0	0	0	0	0
21100515 SE Plot Plan Design	6,180	0	0	0	0	0	0	0	0	0	0	0
21100535 SE Extras Office Eng	0	14,420	14,420	0	9,500	4,920	9,305	0	0	0	195	0
21100540 SE Extras Field Eng	0	15,836	28,736	12,900	28,736	0	27,676	0	0	0	1,060	0
21101005 SE Util Planner Contract	8,240	8,100	8,100	0	8,100	0	6,750	0	900	0	1,350	0
21101010 SE Util Planner Extra	824	954	954	0	954	0	0	0	0	0	0	0
21101005 SE Lot Exhibit	10,815	10,815	10,815	0	10,815	0	5,145	0	5,040	0	5,670	0
21101075 SE Refund Tracking	12,000	12,000	12,000	0	12,000	0	12,000	0	0	0	0	0
21101005 SE Landscape Arch Cont	59,000	59,000	59,000	0	59,000	0	4,800	1,200	0	0	54,200	0
21101510 SE Landscape Arch Extra	5,900	5,900	5,900	0	0	5,900	0	0	0	0	0	0
21101515 SE Landscape Monitoring	34,000	34,000	34,000	0	34,000	0	0	0	0	0	0	0
21102005 SE Light Consult Cont	10,500	6,800	6,800	0	6,800	0	0	0	0	0	6,800	0
21150015 SO Post Grading Soils	97,850	88,623	88,623	0	88,623	0	69,831	0	3,165	0	18,792	0
21150040 SO Extra Post Grading	9,785	9,785	9,785	0	9,785	0	0	0	0	0	0	0
21250025 ME Processing Government	0	32,234	32,234	0	32,234	0	20,973	392	1,991	448	11,261	0
21300005 RE Reprographics	18,000	18,000	18,000	0	18,000	0	0	0	0	0	0	0
22350505 SB Premiums	54,600	54,600	54,600	0	2,042	52,558	0	0	0	0	2,042	0
22350510 SB Grading	5,625	0	0	0	0	0	0	0	0	0	0	0
22350500 SB Cash Bond	0	41,544	186,414	144,770	186,414	0	0	25,050	0	0	186,414	0
29602200 RB Cash Bond	0	41,644	186,414	144,770	0	186,414	0	0	0	0	0	0
29600505 Contingency (All)	49,351	60,622	60,622	0	60,622	0	0	0	0	0	0	0
29800520 Contingency Fee Increase	337,470	226,933	226,933	0	0	226,933	0	0	0	0	0	0
1357 Final Map/Parcel Map	0	0	6,260	6,260	6,260	0	0	0	0	0	6,260	0
30001020 Final Map/Parcel Map	250	0	0	0	0	0	0	0	0	0	0	0
30001030 Dept of Fish & Game	2,442	2,442	2,442	0	0	2,442	0	0	0	0	0	0
30001040 NPDES/SWPPP	400,688	400,688	400,688	0	0	400,688	0	0	0	0	0	0
30001050 Trans Fees/Traffic Signal	720,554	720,554	495,273	225,281	159,508	335,765	0	30,920	0	0	159,508	0
30001060 Development Impact Fees	36,050	36,050	36,050	0	0	36,050	0	0	0	0	0	0
30001070 Fire Fees	26,328	26,328	26,328	0	6,241	20,087	0	1,632	0	0	6,241	0
30001084 School Fees I	696,608	725,656	725,656	924	297,447	429,133	0	60,026	0	0	297,447	0
30001107 Sewer Connection	438,780	445,372	445,372	0	12,972	432,400	0	0	0	0	12,972	0
30001110 Sewer Capacity	353,290	430,768	430,768	0	0	430,768	0	0	0	0	0	0
30001130 Water Connection Fee	250,805	245,994	254,615	7,622	7,416	247,200	0	0	0	0	7,416	0
30001144 Water Meter Fee	18,895	25,750	25,750	0	24,500	1,250	0	0	0	0	24,500	0
30001150 Precise Grade PCM	13,983	13,983	13,983	0	10,482	3,501	0	0	310	276	10,482	0
30001154 Landscape PCM	4,500	4,500	6,923	2,423	6,923	0	0	0	0	0	6,923	0
30001157 Wall PCM	3,000	3,000	3,000	0	2,327	673	0	0	0	0	2,327	0
30001164 Building Permits	348,304	348,304	428,073	79,769	181,144	246,929	0	34,960	0	576	181,144	0
11649001 Sheldon @ Greenwood(Carria	4,255,037	4,287,021	4,172,342	114,679	1,358,188	2,814,154	229,475	155,515	11,406	1,307	1,128,713	0

APPENDIX D
MARKET ABSORPTION STUDY

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COMMUNITY FACILITIES DISTRICT NO. 2014-1
(GREENWOOD IN TUSTIN LEGACY)

MARKET ABSORPTION STUDY

PREPARED FOR:
CITY OF TUSTIN
ORANGE COUNTY, CALIFORNIA

PREPARED BY:
EMPIRE ECONOMICS, INC.
JOSEPH T. JANCZYK, PH.D

MAY 18, 2015

REVISED: SEPTEMBER 21, 2015:
PRODUCT MIX AND ABSORPTION SCHEDULES BASED UPON MARKET-ENTRY PRICES/SALES

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INTRODUCTION

A. OVERVIEW OF THE BOND FINANCING PROGRAM

The City of Tustin formed Community Facilities District No. 2014-1 to assist with the financing for the public infrastructure that is required to support the development of the residential products in the Planned Community of “Greenwood in Tustin Legacy”.

CFD No. 2014-1 is located in the southerly portion of the City of Tustin in Orange County, within Tustin Legacy, which was formerly the Tustin Marine Corps Air Station.

CFD No. 2014-1 encompasses the Planned Community of “Greenwood in Tustin Legacy” which has four residential projects by Standard Pacific Homes (3) and Brookfield (1). Each neighborhood will have five to eight different architectural styles of homes, with features including outdoor living rooms, large kitchens and natural light; there will also be a public park, trails, an amphitheater, bocce ball, basketball courts and private recreation areas; accordingly, their general product mix characteristics are as follows:

- The prices for the homes amount to some \$1,035,155, on the average, and they have a range of about \$756,900 to \$1,250,189
- The living areas for the homes amount to some 3,031 sq.ft., on the average, and they have a range of 1,860 to 3,880 sq.ft.

The City of Tustin retained Empire Economics Inc. (Empire), an economic and real estate consulting firm, to perform a Market Absorption Study for the projects in CFD No. 2014-1, which are being marketed as the Planned Community of Greenwood in Tustin Legacy. The Market Absorption Study performs a comprehensive analysis of the product mix characteristics, macroeconomic factors, and microeconomic factors that are expected to influence the absorption of the homes in CFD No. 2014-1, in order to arrive at conclusions regarding the following:

- Estimated absorption schedules for the homes in each of the four projects, from market-entry to build-out, on an annualized basis.
- Discussion of potential economic and real estate risk factors that may adversely impact their marketability.

The relevant geographical areas for the economic and real estate research are as follows:

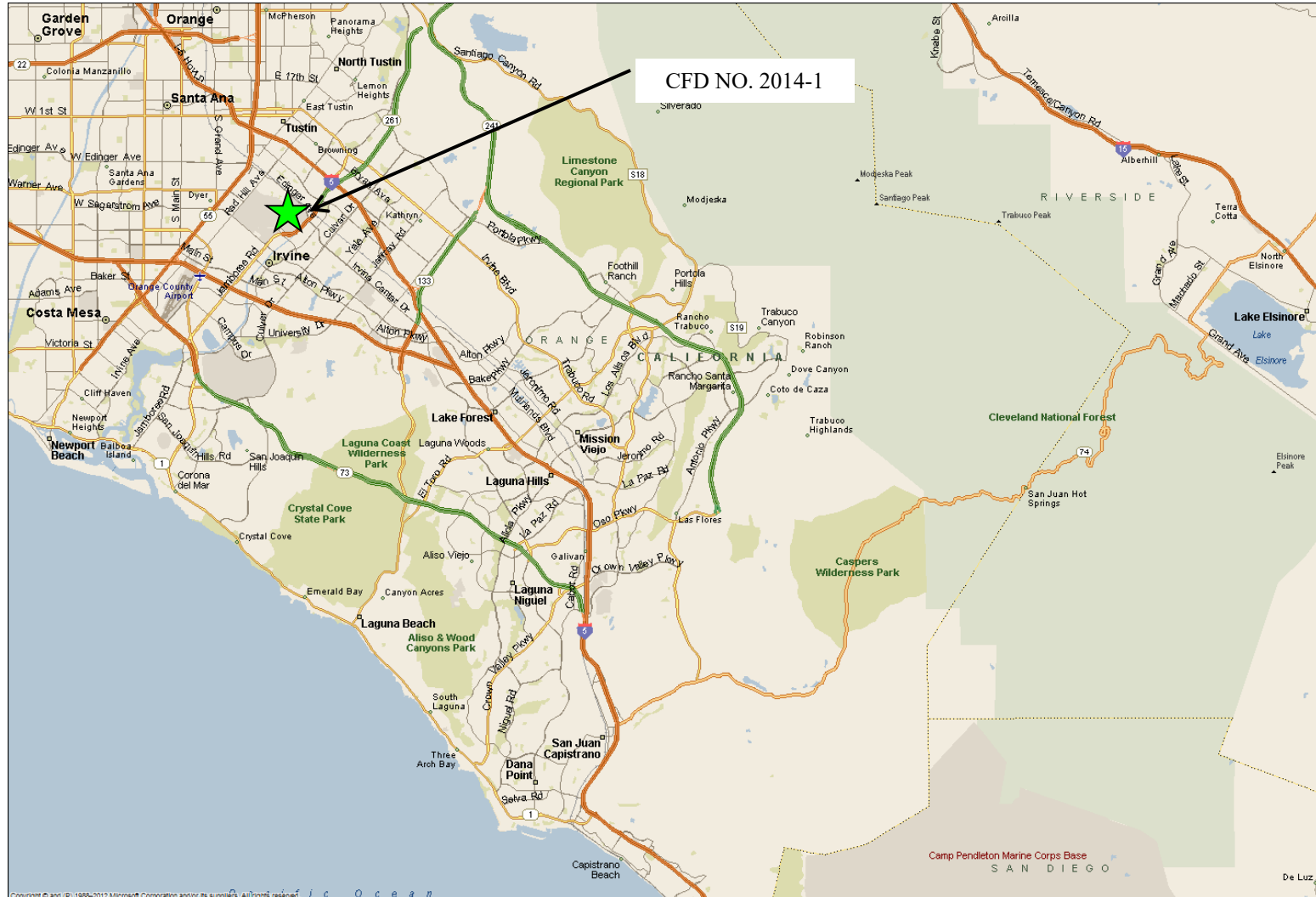
- Market Region includes all of the cities/communities within Orange County, as a whole
- Competitive Market Area encompasses the cities of Tustin, Irvine and Lake Forest

For information on the location of CFD No. 2014-1, please refer to the map on the following page.

SOUTHERN ORANGE COUNTY

APPROXIMATE LOCATION OF CFD NO. 2014-1

(GREENWOOD IN TUSTIN LEGACY)



B. ROLES OF THE MARKET ABSORPTION STUDY FOR THE BOND FINANCING

The Market Absorption Study for CFD No. 2014-1 has a multiplicity of roles with regards to the Bond Financing; accordingly, these are set-forth below:

Marketing Prospects for the Residential Products

Estimated Absorption Schedules:
Escrow Closings of Homes to Homeowners,
From Market-Entry to Build-Out for
Each of the Four Projects

Potential Risk Factors that may Adversely Impact
the Marketability of the Projects

Relationship of the Market Study to the Special Tax Payments

Special Taxes for the Residential Projects/Products

Aggregate Levels of Special Tax Revenues for Bond Sizing

Absorption Rate Determines Shares of Payments:
Developer/builders vs. Final-Users/Homeowners

Relationship of the Market Absorption Study to the Appraisal/Valuation

Appraisal of Property
Appraiser Uses Absorption Schedules for
Discounted Cash Flow – Present Value

(The Longer the Absorption Time, the Lower the Present Value)

The Issuing Agency along with the Finance Team, can utilize the information found in the Market Absorption Study and the Appraisal as well as the Special Tax Revenues to structure the bonds for CFD No. 2014-1.

C. METHODOLOGY UNDERLYING THE MARKET ABSORPTION STUDY FOR CFD NO. 2014-1

The Market Absorption Study performs a comprehensive analysis of the product mix characteristics, macroeconomic factors, and microeconomic factors as well as the potential risk factors that are expected to influence the absorption of the homes in CFD No. 2014-1 (Greenwood in Tustin Legacy).

I. Product Mix Characteristics

II. Economic and Real Estate Model Underlying the Market Absorption Study

III. Overview of the Development Trends/Patterns and Socioeconomic Factors

IV. Competitive Market Analysis of the Residential Projects

V. Estimated Absorption Schedules for the Projects/Products

Assumptions and Limiting Conditions

D. CERTIFICATION OF INDEPENDENCE

EMPIRE ECONOMICS PROVIDES CONSULTING SERVICES ONLY FOR PUBLIC ENTITIES

The Securities & Exchange Commission has taken action against firms that have utilized their research analysts to promote companies with whom they conduct business, citing this as a potential conflict of interest. Accordingly, Empire Economics (Empire), in order to ensure that its clients, including the City of Tustin, are not placed in a situation that could cause such conflicts of interest, provides a Certification of Independence.

This Certificate states that Empire performs consulting services only for public entities such as the City of Tustin, in order to avoid potential conflicts of interest that could occur if it also provided consulting services for developers/builders.

For example, if a research firm for a specific Community Facilities District were to provide consulting services to both the public entity as well as the property owner/developer/builders, then a potential conflict of interest could be created, given the different objectives of the public entity versus the property owner/developer.

Accordingly, Empire Economics certifies that the Market Absorption Study for the CFD No. 2014-1 of the City of Tustin was performed in an independent professional manner, as represented by the following statements:

- Empire was retained to perform the Market Absorption Study by the City of Tustin, not the CFD's developer/builders, Standard Pacific Homes or Brookfield.
- Empire has not performed any consulting services for the CFD's property owner or the developer/builders during the past twenty+ years.
- Empire will not perform any consulting services for the CFD's property owner or the developer/builders during the next five years.
- Empire's compensation for performing the Market Absorption Study for the CFD is not contingent upon the issuance of bonds; Empire's fees are paid on a non-contingency basis.

Therefore, based upon the statements set-forth above, Empire hereby certifies that the Market Absorption Study for CFD No. 2014-1 of the City of Tustin was performed in an independent professional manner.

SECTION I

RESIDENTIAL PRODUCT MIX CHARACTERISTICS

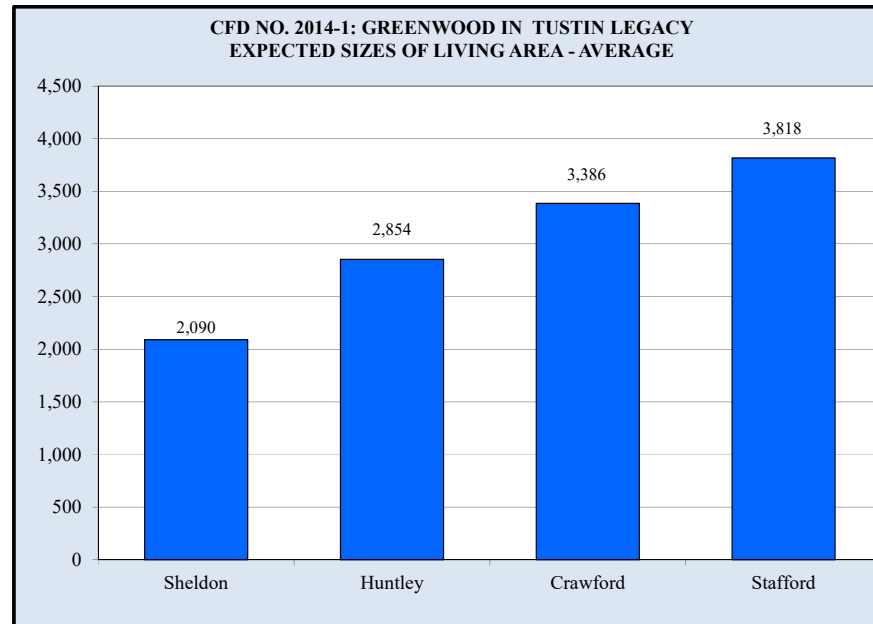
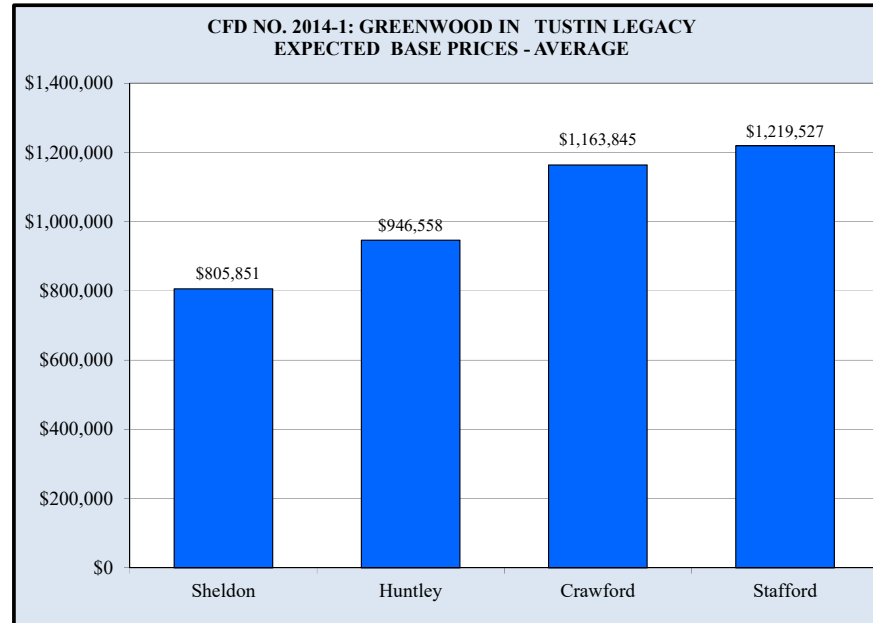
CFD No. 2014-1 (Greenwood in Tustin Legacy), which is being marketed as Greenwood in Tustin Legacy, is expected to have a total of 375 single-family homes in four different projects; the specific characteristics of these projects, according to information provided by Standard Pacific Homes and Brookfield, are as follows:

- **Sheldon** by Standard Pacific Homes is expected to have 103 single-family homes on carriage court lots of about 2,400 sq.ft. Their base prices range from \$756,900 to \$853,900, for an overall average of \$805,851. Their living areas range from 1,860 sq.ft. to 2,343 sq.ft., for an overall average of 2,090 sq.ft. The value ratio (price/living area) amounts to \$386/sq.ft., on the average.
- **Huntley** by Brookfield is expected to have 77 single-family homes on lots of about 3,280 sq.ft. Their base prices range from \$913,000 to \$967,000, for an overall average of \$946,558. Their living range from 2,597 sq.ft. to 3,032 sq.ft., for an overall average of 2,854 sq.ft. The value ratio amounts to \$332/sq.ft., on the average.
- **Crawford** by Standard Pacific Homes is expected to have 99 single-family homes on lots of about 5,000 sq.ft. Their base prices range from \$1,057,000 to \$1,235,900, for an overall average of \$1,163,845. Their living areas range from 3,012 sq.ft. to 3,612 sq.ft., for an overall average of 3,386 sq.ft. The value ratio amounts to \$344/sq.ft., on the average.
- **Stafford** by Standard Pacific Homes is expected to have 96 single-family homes on lots of about 5,250 sq.ft. Their base prices range from \$1,180,834 to \$1,250,189, for an overall average of \$1,219,527. Their living areas range from 3,711 sq.ft. to 3,880 sq.ft., for an overall average of 3,818 sq.ft. The value ratio amounts to \$319/sq.ft., on the average.

So, for all of the projects, as a whole, the base prices amount to some \$1,035,155, on the average, and they have a range of \$756,900 to \$1,250,189. While the living areas amount to some 3,031 sq.ft., on the average, and they have a range of 1,860 to 3,880 sq.ft. The overall value ratio amounts to \$341/sq.ft., on the average.

The maximum total tax burden for the homes in CFD No. 2014-1, ad valorem as well as Special Taxes/Assessments, based upon the City of Tustin's policies, is 2.00% of the prices for the homes. However, the developer's targeted tax burden for CFD No. 2014-1 amounts to about 1.75%, and so it is below the maximum. The estimated base tax rate is some 1.10%, on the average, and the Special Tax rate, based upon the current prices, amounts to some 0.53%, on the average.

For more information on these projects, please refer to the following table, graphs and maps.



CHARACTERISTICS OF THE PROJECTS IN CFD NO. 2014-1

					Overall	
Projects >	Sheldon	Huntley	Crawford	Stafford	Totals	Averages
Builders	Standard Pacific Homes	Brookfield	Standard Pacific Homes	Standard Pacific Homes		
Expected Product Types	Single-family Detached	Single-family Detached	Single-family Detached	Single-family Detached		
Lot Sizes - Approximate	2,400	3,280	5,000	5,250		
Housing Units						
Totals	103	77	99	96	375	
Share	27.5%	20.5%	26.4%	25.6%	100.0%	
Marketing Status:						
Closed	0	0	0	0	0	
Sales	51	21	23	21	116	
Future Closings	103	77	99	96	375	
Expected Product Mix						
Plan # 1	31	20	26	26		
Plan # 2	36	26	34	32		
Plan # 3	19	31	39	38		
Plan # 4	17					
Totals	103	77	99	96		375
Living Areas (Sq. Ft.)						
Plan # 1	1,860	2,597	3,012	3,711		
Plan # 2	2,126	2,839	3,412	3,831		
Plan # 3	2,171	3,032	3,612	3,880		
Plan # 4	2,343					
Averages	2,090	2,854	3,386	3,818		3,031
Current Prices						
Plan # 1	\$756,900	\$913,000	\$1,057,000	\$1,180,834		
Plan # 2	\$817,900	\$948,000	\$1,162,900	\$1,214,553		
Plan # 3	\$819,900	\$967,000	\$1,235,900	\$1,250,189		
Plan # 4	\$853,900					
Averages	\$805,851	\$946,558	\$1,163,845	\$1,219,527		\$1,035,155
Value Ratios : (Price / Living Area)	\$386	\$332	\$344	\$319		\$341
Tax Burden						
Ad Valorem - Percent of Price	1.10%	1.10%	1.10%	1.10%		1.10%
Special Taxes \$/Yr - Avg.	\$3,679	\$5,622	\$6,100	\$6,519		\$5,458
* Total Tax Burden %/Price	1.56%	1.69%	1.62%	1.63%		1.63%

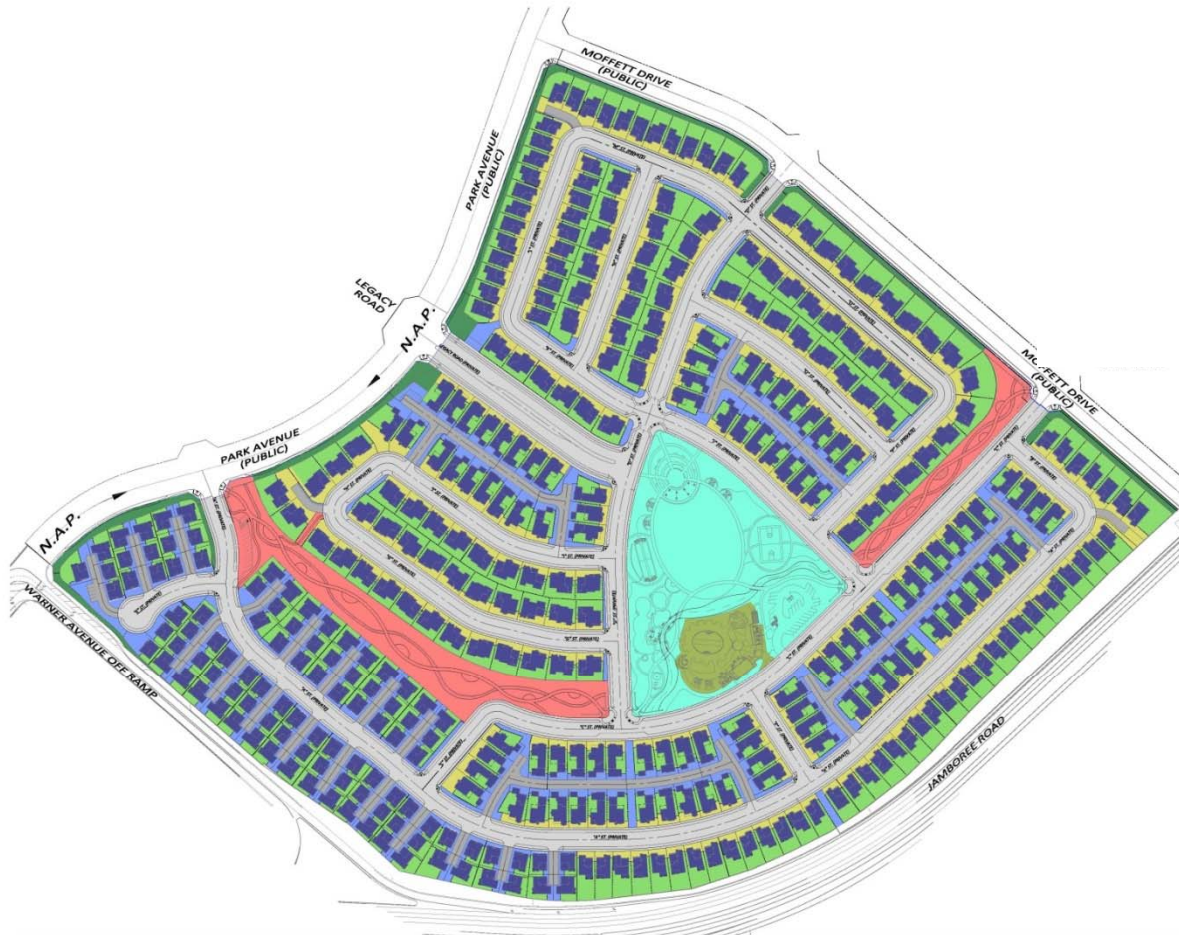
OVERVIEW OF TUSTIN LEGACY EXISTING AND EXPECTED FUTURE DEVELOPMENTS



Source: City of Tustin, satellite image from Google Maps

Maxwell Henderson / The Re

CFD NO. 2014-1 GREENWOOD IN TUSTIN LEGACY SITE PLAN FOR THE RESIDENTIAL PROJECTS



Tustin Legacy
Disposition Parcel 1B & 6A
Tustin, California
Tentative Tract Number: 17507



C-6
August 12, 2013

SECTION II

ECONOMIC AND REAL ESTATE FORECASTING MODEL UNDERLYING THE MARKET ABSORPTION STUDY FOR THE CFD NO. 2014-1 – GREENWOOD IN TUSTIN LEGACY

This section describes the Economic and Real Estate Forecasting Model underlying the Market Absorption Study for the residential projects in the CFD No. 2014-1 (Greenwood in Tustin Legacy); accordingly, the primary components are as follows:

- A. Overview of the Economic and Real Estate Forecasting Model
- B. Critical Components of the Forecasting Model
 - Employment as the Primary Driver of Housing Demand and Prices
 - Mortgage Rates as a Secondary Economic Driver of Housing Demand and Prices
 - Levels of Mortgage Defaults
 - Sales of Existing and New Homes
 - New Residential Development Activity
- C. Recent Employment Trends in the City of Tustin
 - Recent Unemployment Rates: California, Orange County and Tustin
 - Recent Employment Levels by Industry Sectors
 - Employment Shares by Industry Sectors: City of Tustin /Orange County
 - City of Tustin: Payroll by Industry Sectors
- D. Conclusion on Recent/Future Housing Market Conditions

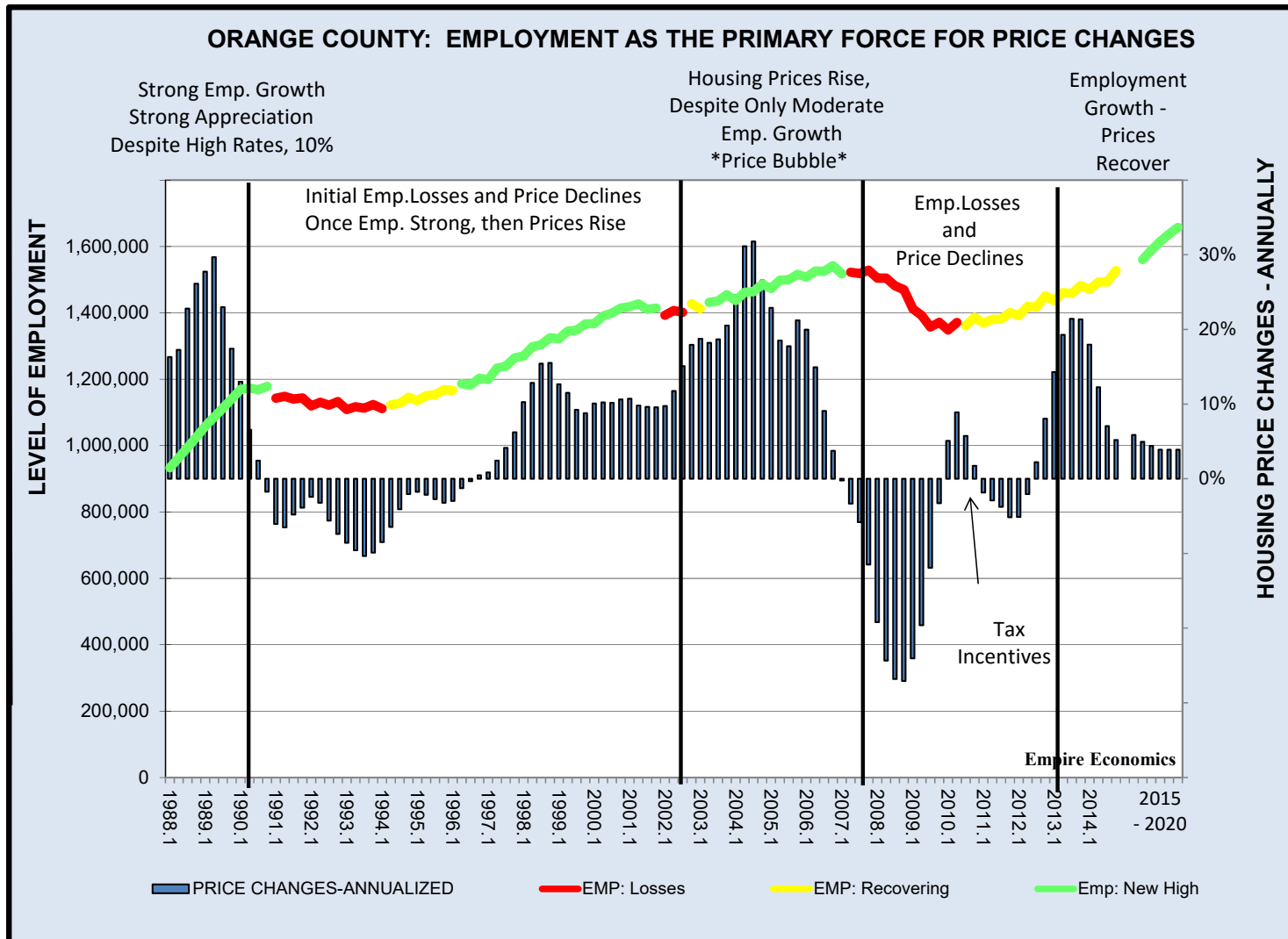
A. OVERVIEW OF THE ECONOMIC AND REAL ESTATE FORECASTING MODEL

RECENT/EXPECTED REAL ESTATE MARKET TRENDS/PATTERNS FOR THE MARKET REGION AND MARKET AREA



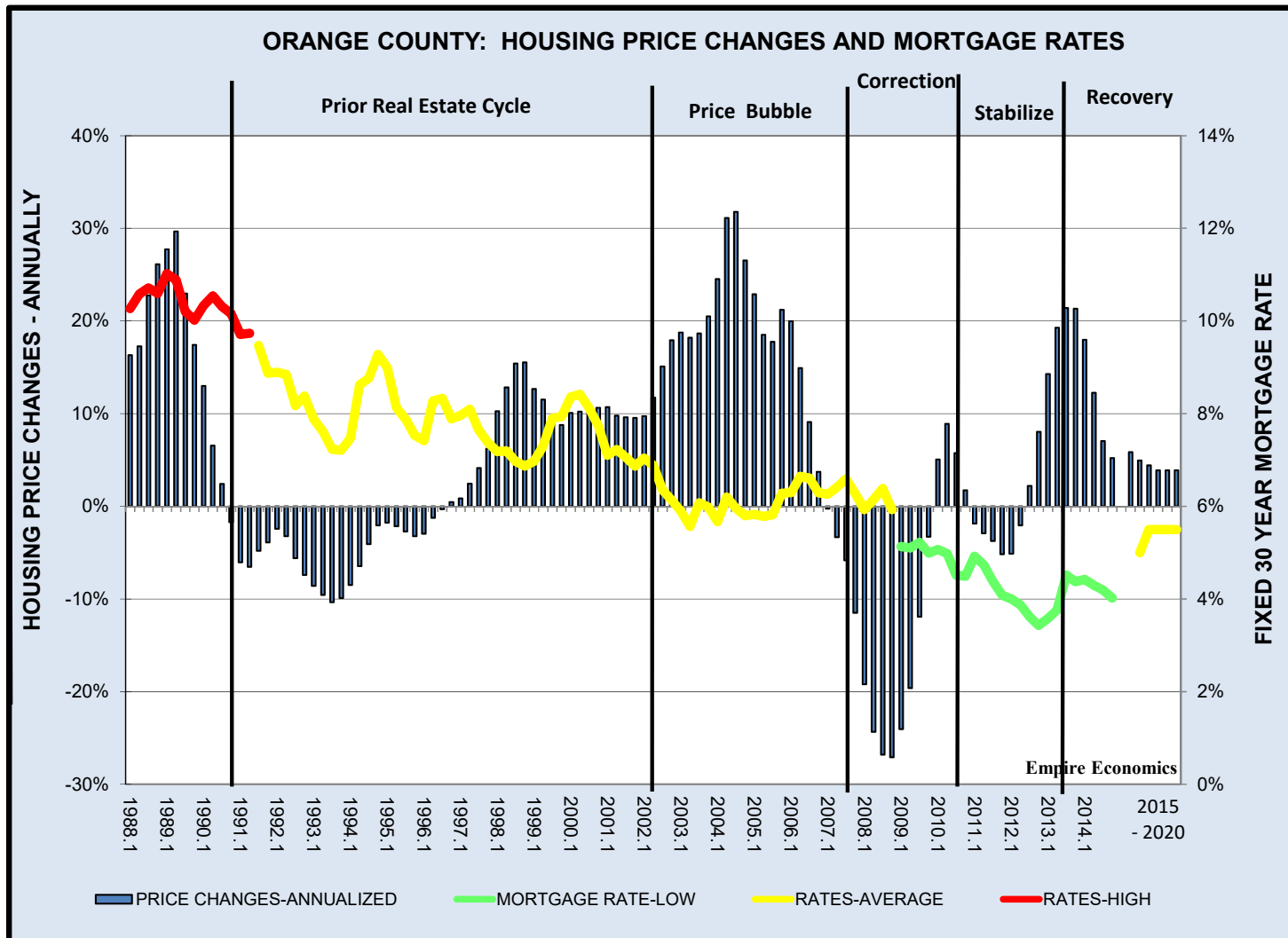
B. CRITICAL COMPONENTS OF THE FORECASTING MODEL

EMPLOYMENT IS THE **PRIMARY ECONOMIC DRIVER** OF HOUSING DEMAND AND PRICE CHANGES
 EMPLOYMENT GROWTH/LOSSES DRIVE DEMAND AND PRICE INCREASES/DECREASES

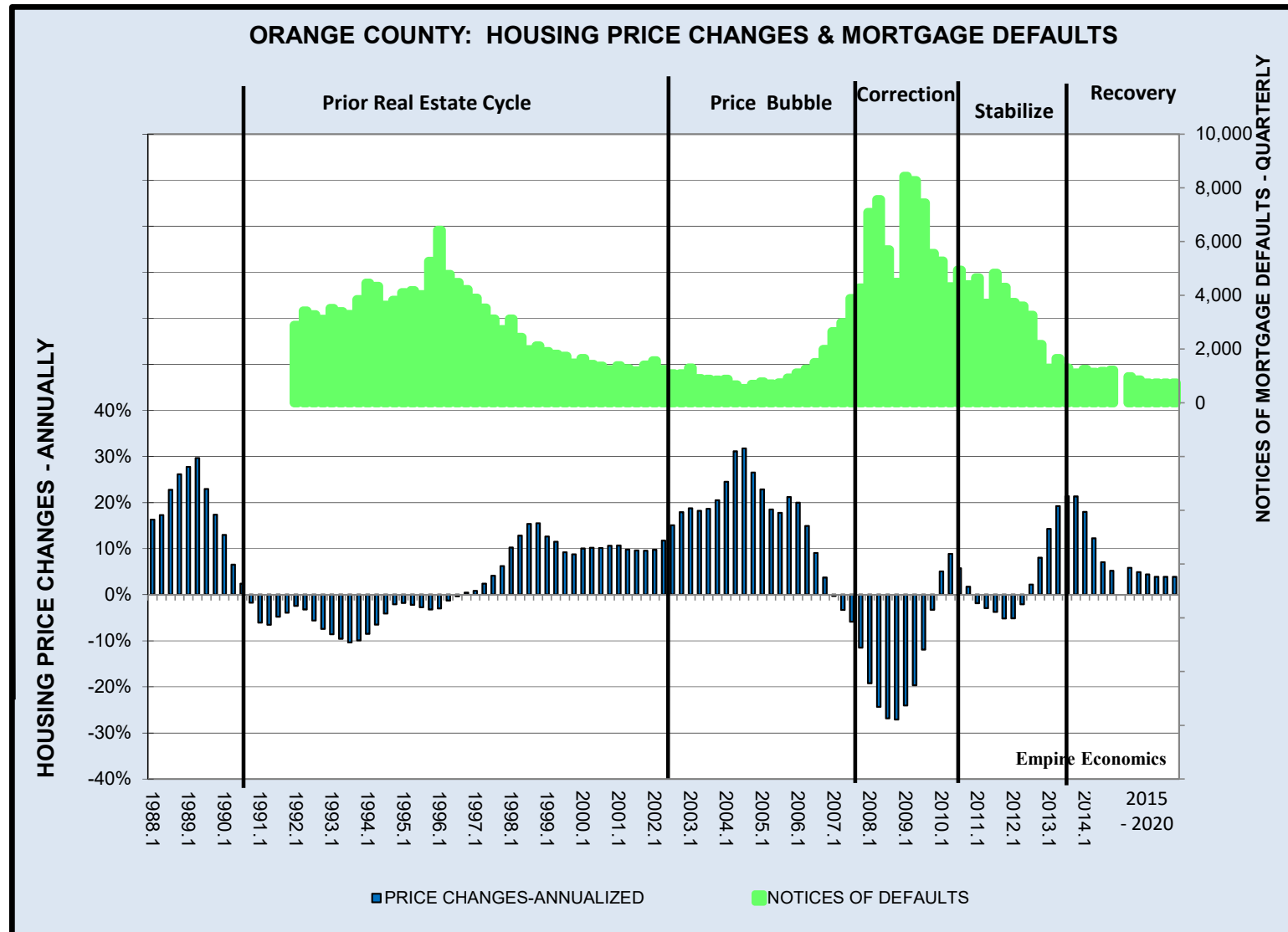


MORTGAGE RATES ARE A SECONDARY ECONOMIC DRIVER OF HOUSING PRICES:

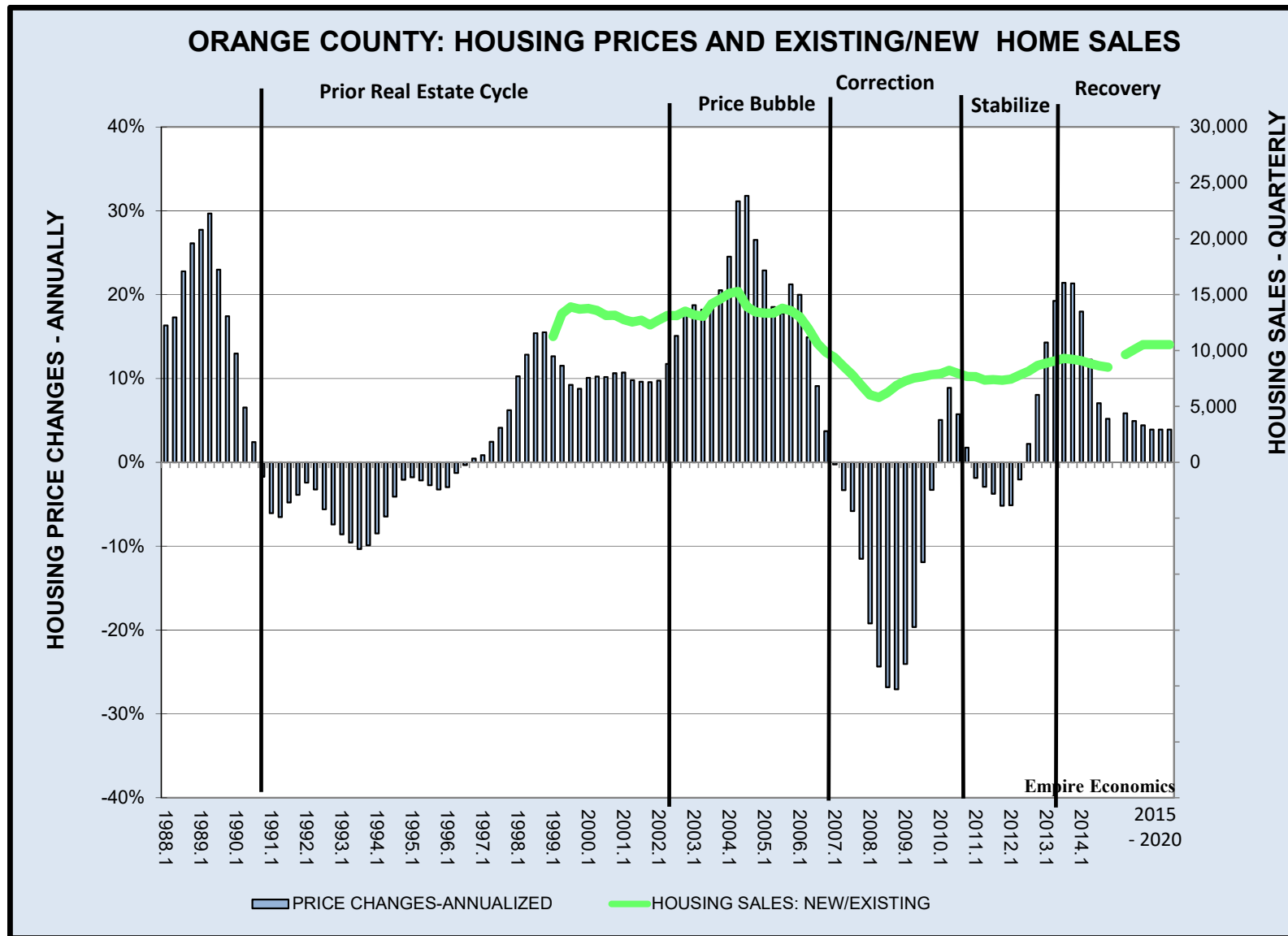
HIGH/LOW MORTGAGE RATES HAVE A MODERATE INFLUENCE ON HOUSING PRICES
LENDING CRITERIA ALSO PLAYS ROLE: LOOSE (2002-2006) VS. TIGHT (2010-2013)



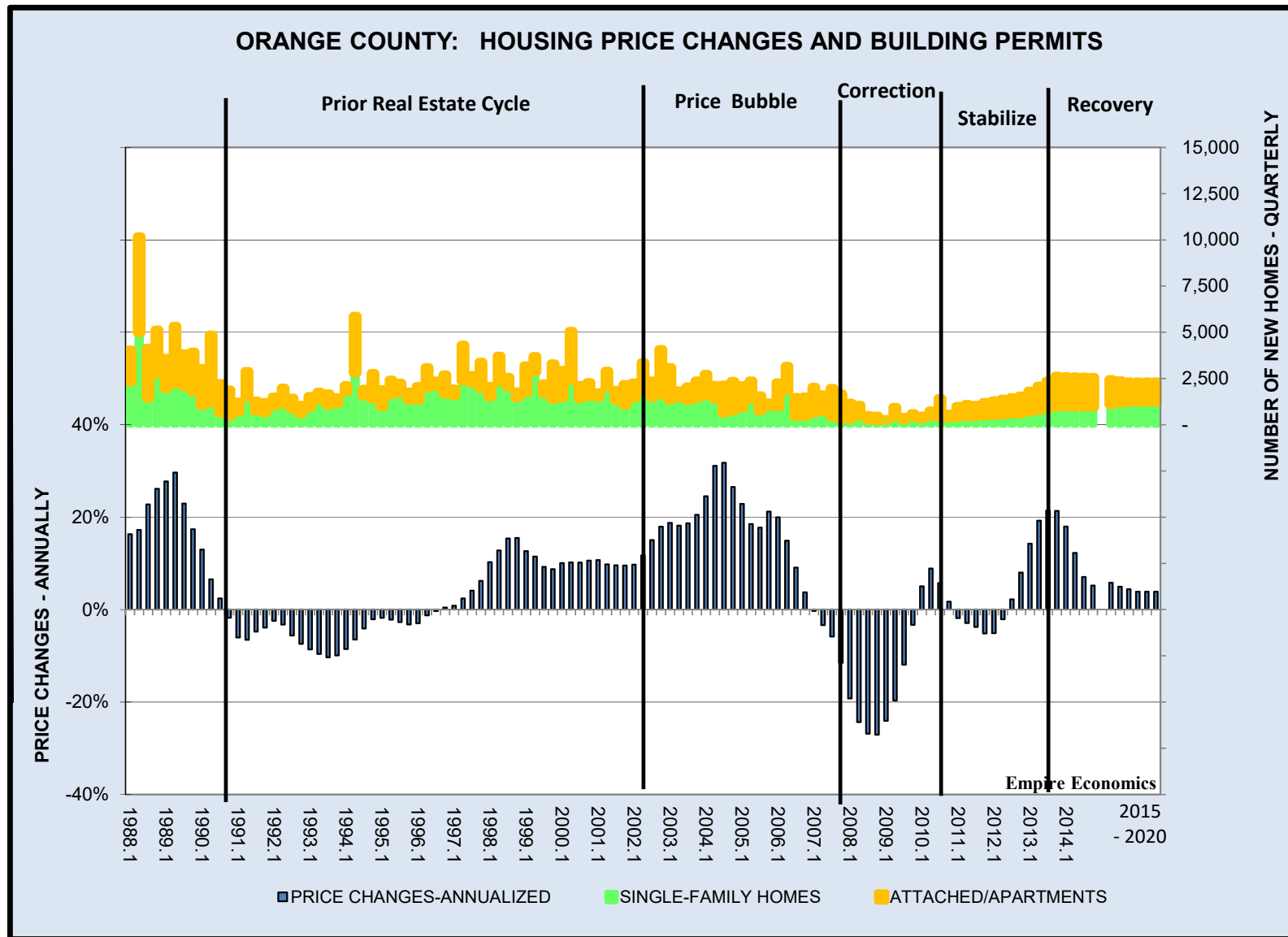
HIGH LEVELS OF MORTGAGE DEFAULTS CONTRIBUTE TO PRICE DECLINES **DUE TO EXCESS SUPPLY AND PRICE DISCOUNTS**



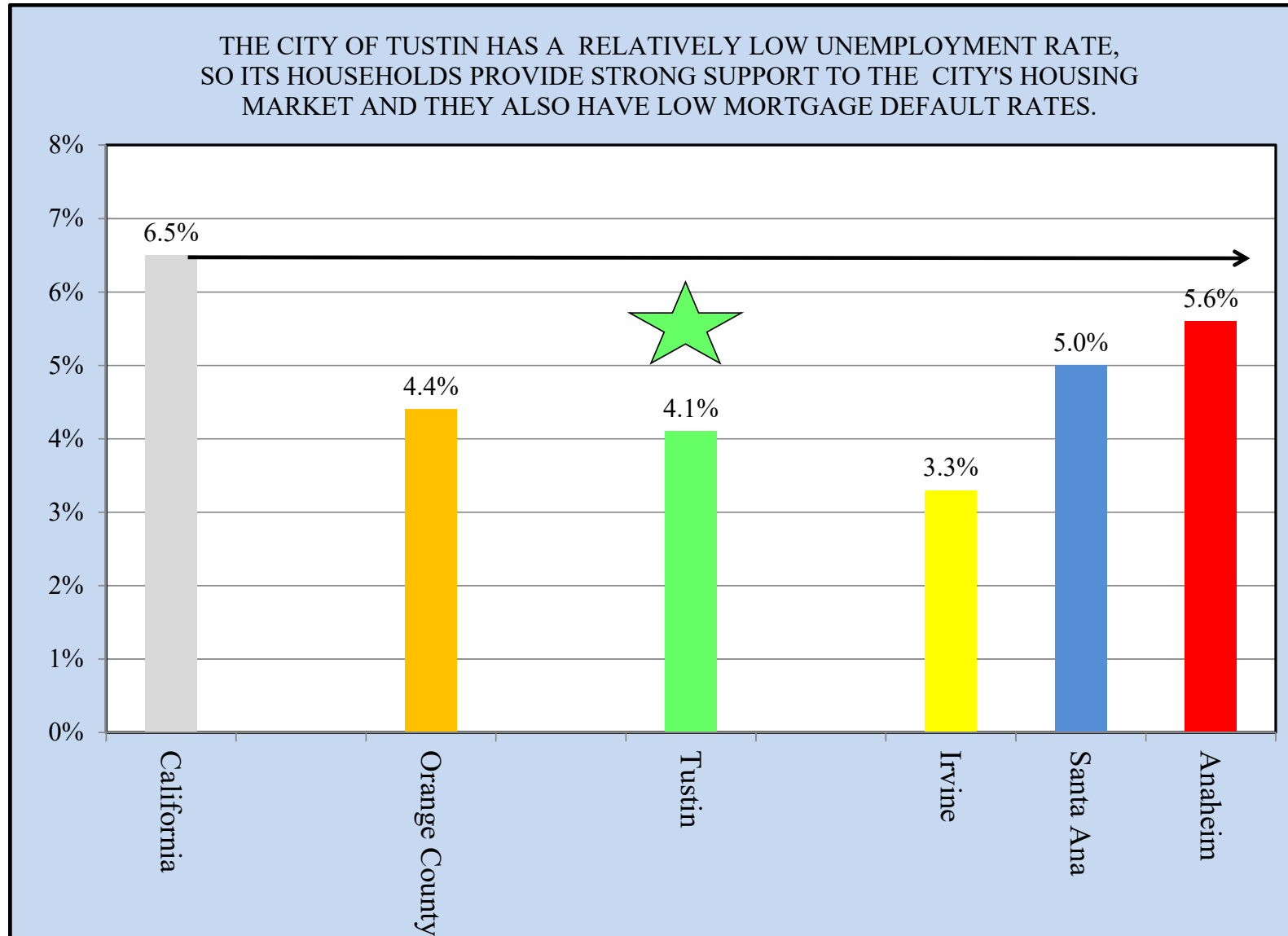
**SALES OF EXISTING AND NEW HOMES ARE DRIVEN
PRIMARILY BY EMPLOYMENT GROWTH BUT ALSO MORTGAGE RATES**



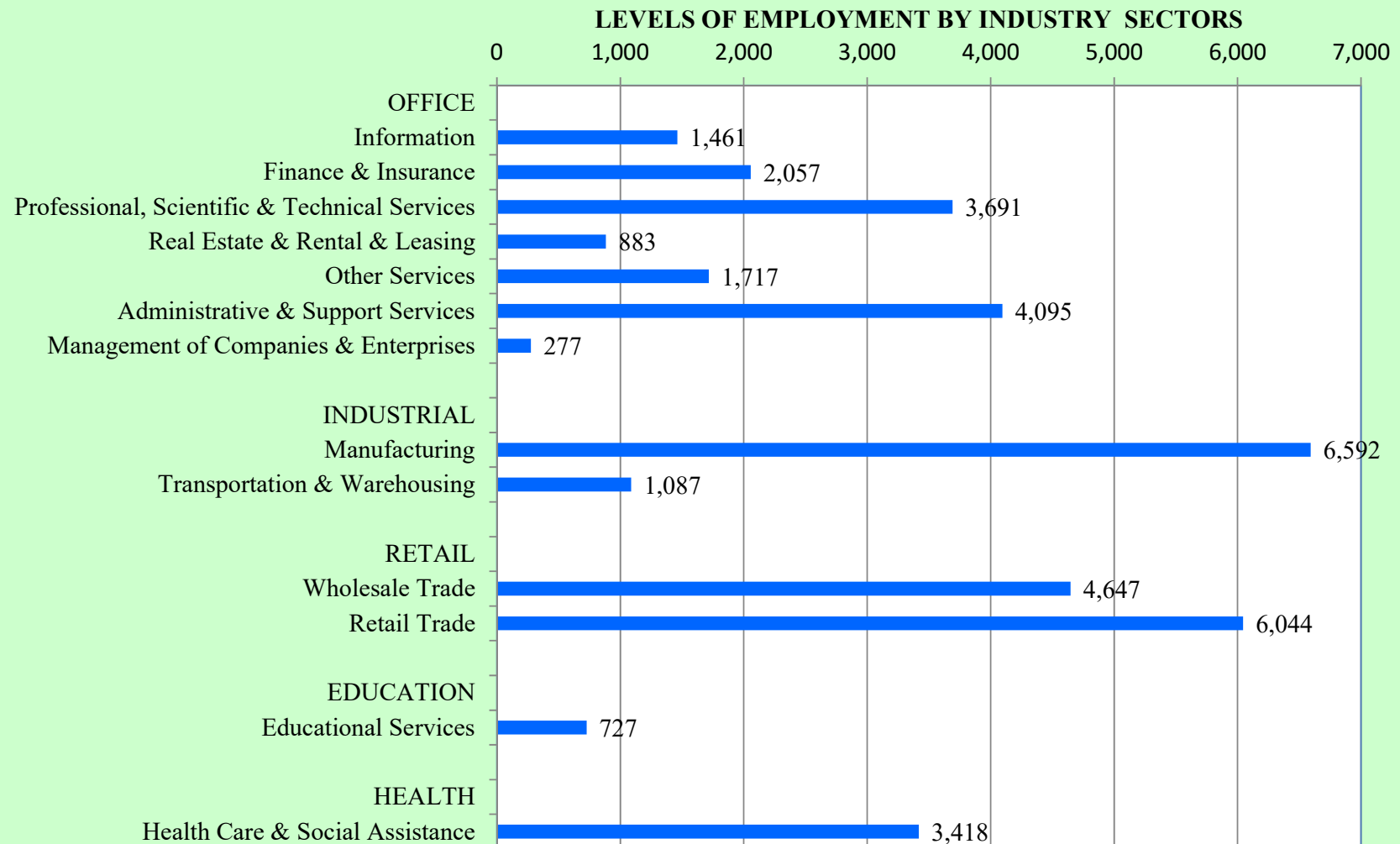
NEW RESIDENTIAL DEVELOPMENT ACTIVITY IS DRIVEN BY EMPLOYMENT GROWTH AND HOUSING PRICE INCREASES



C. RECENT EMPLOYMENT TRENDS/PATTERNS: MARCH 2015

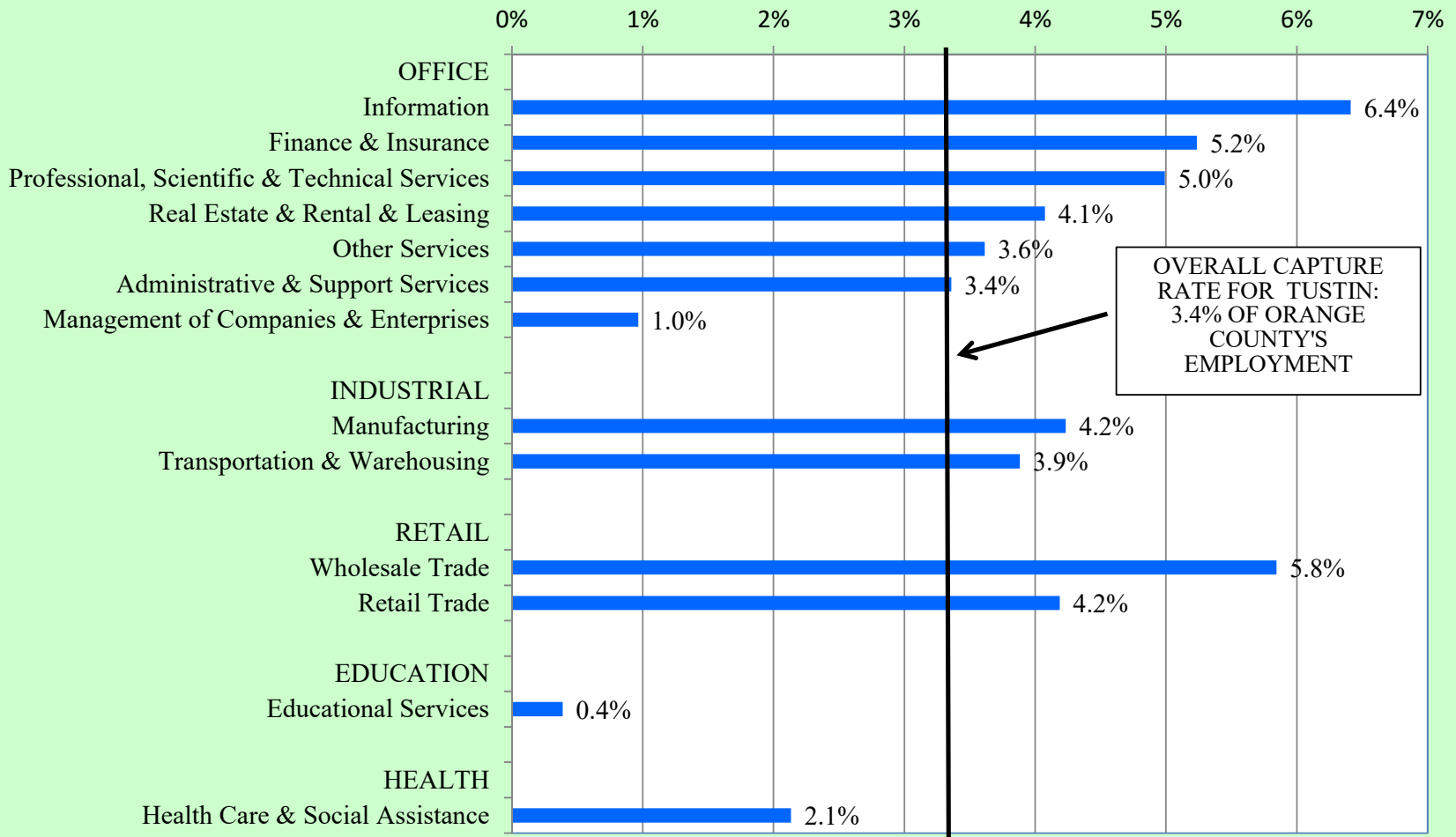


EMPLOYMENT LEVELS BY INDUSTRY SECTORS CITY OF TUSTIN; PART-TIME AND FULL-TIME EMPLOYEES

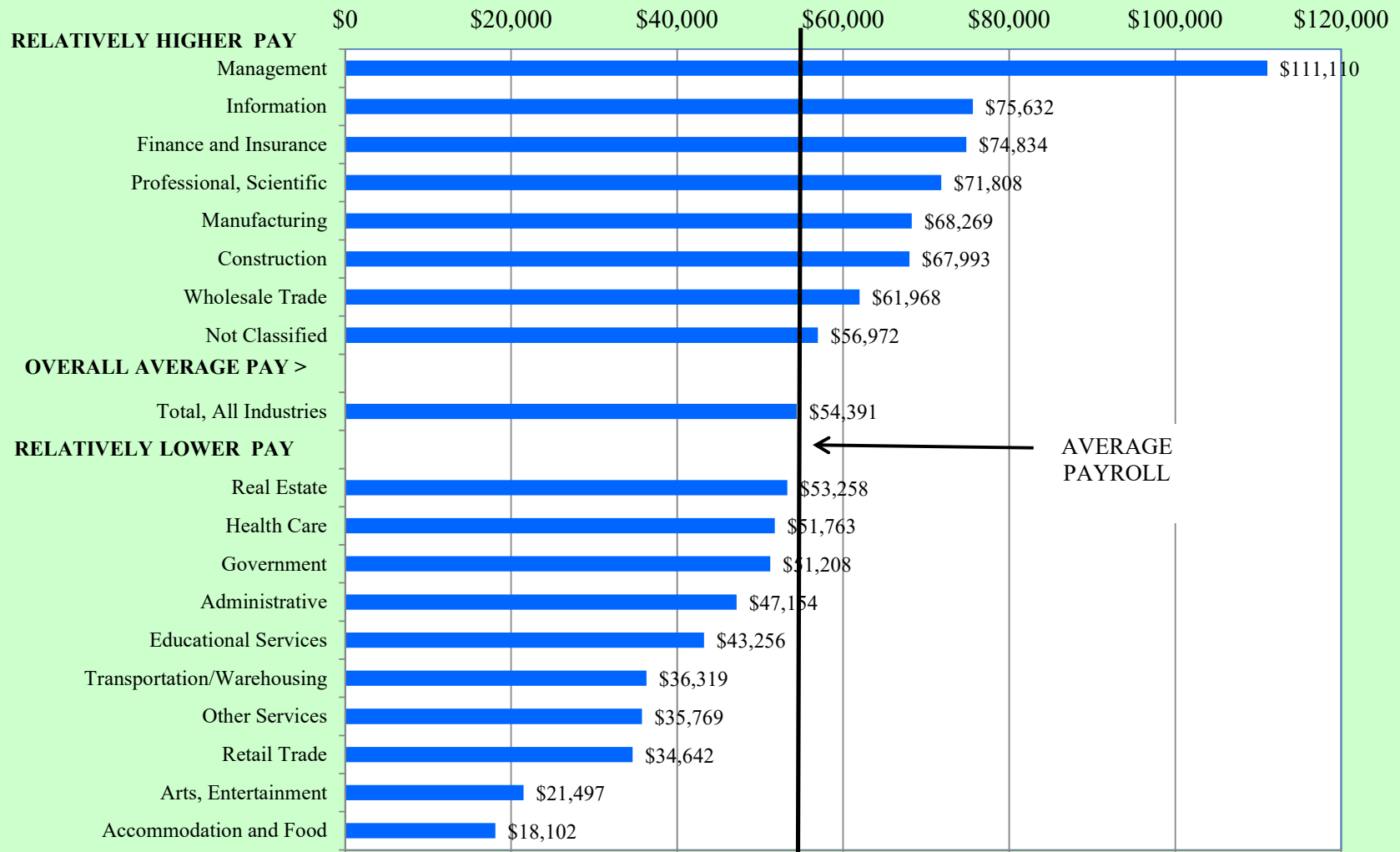


EMPLOYMENT SHARES BY SECTORS SHARE OF TUSTIN VS. ORANGE COUNTY

TUSTIN HAS HIGHER SHARES OF EMPLOYMENT IN MOST OF THE OFFICE SECTORS



CITY OF TUSTIN: PAYROLL BY EMPLOYMENT INDUSTRY SECTORS COMPENSATION-ANNUALLY; FULL-TIME AND PART-TIME EMPLOYEES



D. CONCLUSIONS ON RECENT/FUTURE HOUSING MARKET CONDITIONS

The recent trends/patterns in the Orange County and the City of Tustin economies and housing markets, along with Empire's forecast for economic growth and housing demand based upon its Designated Economic and Real Estate Scenario, are now discussed.

Price Appreciation: Starting in 2002, housing prices began to appreciate as mortgage rates declined, and then the rate of appreciation accelerated. During 2004 to 2006 due to the pervasive use of non-conventional (creative) financing structures. During this time period, these financing structures and related financing factors, rather than employment growth, were the primary driving forces underlying the extraordinary rate of housing price appreciation for California and also for Orange County.

Price Declines – Negative Equity: During 2007 to 2009, housing prices decreased significantly, pushing a substantial proportion of homeowners who purchased their homes during the price bubble into a position of negative equity, especially those that had high loan to value ratios. The enormous number of homeowners under duress caused an over-supply of homes which, in turn, severely depressed new development activity.

Foundation for Recovery: Since 2009, and continuing through 2012, housing prices were relatively stable, and this enabled the housing market to go through a consolidation phase:

- Many homeowners with negative equity went through the foreclosure and short sales process.
- These homes, in turn, were purchased by new bona-fide homeowners as well as investors that benefited from lower prices. Although mortgage rates were very favorable, mortgage lending criteria were tighter for households and many investors were cash buyers.

Market Recovery During 2013: The housing market experienced a strong level of demand from home purchasers as well as investors who were attracted by the oversold market conditions, and their demand resulted in housing price increases of some 20% for Southern California, including Orange County.

Normal Market Conditions During 2014+: Employment, the traditional driver of housing price appreciation, is expected to increase at a moderate rate, and this will enable the housing market to return to its "historical" rate of price appreciation. However, unlike other recoveries, this recovery is not expected to surpass the recent price bubble peak in the near term due to the following macroeconomic conditions:

- Reducing the Federal Deficit through higher tax rates, reduced deductions and lower spending.
- Federal Reserve Board re-balancing its accounts by selling recently purchased securities.

Economic Strength of the City of Tustin: The City of Tustin is regarded as having favorable growth prospects, considering the size and diversity of its employment-economic base as well as its relatively low unemployment rate. These economic factors along with its future employment growth, will generate a strong level of demand for housing thereby providing support for the residential projects in CFD No. 2014-1.

SECTION III

OVERVIEW OF DEVELOPMENT TRENDS/PATTERNS AND SOCIOECONOMIC FACTORS

This section discusses the employment and residential development trends/patterns in the general vicinity of CFD No. 2014-1 as well as the City of Tustin, and also the socioeconomic factors that households consider when purchasing a home, such as personal safety as well as educational quality.

A. DEVELOPMENT TRENDS/PATTERNS IN THE CITY OF TUSTIN AND ITS VICINITY

From a geographical regional perspective, the marketing potential of the homes in CFD No. 2014-1 involves an analysis of the existing/active/forthcoming Planned Communities, Retail Centers and Business Parks, in conjunction with the transportation system in the City of Tustin and its vicinity.

Business Parks generate employment growth through their industrial-office development while Planned Communities generate residential development which, in turn, generates a demand for Retail Centers; additionally, the flow of traffic between them is facilitated by the freeways and transportation corridors between them.

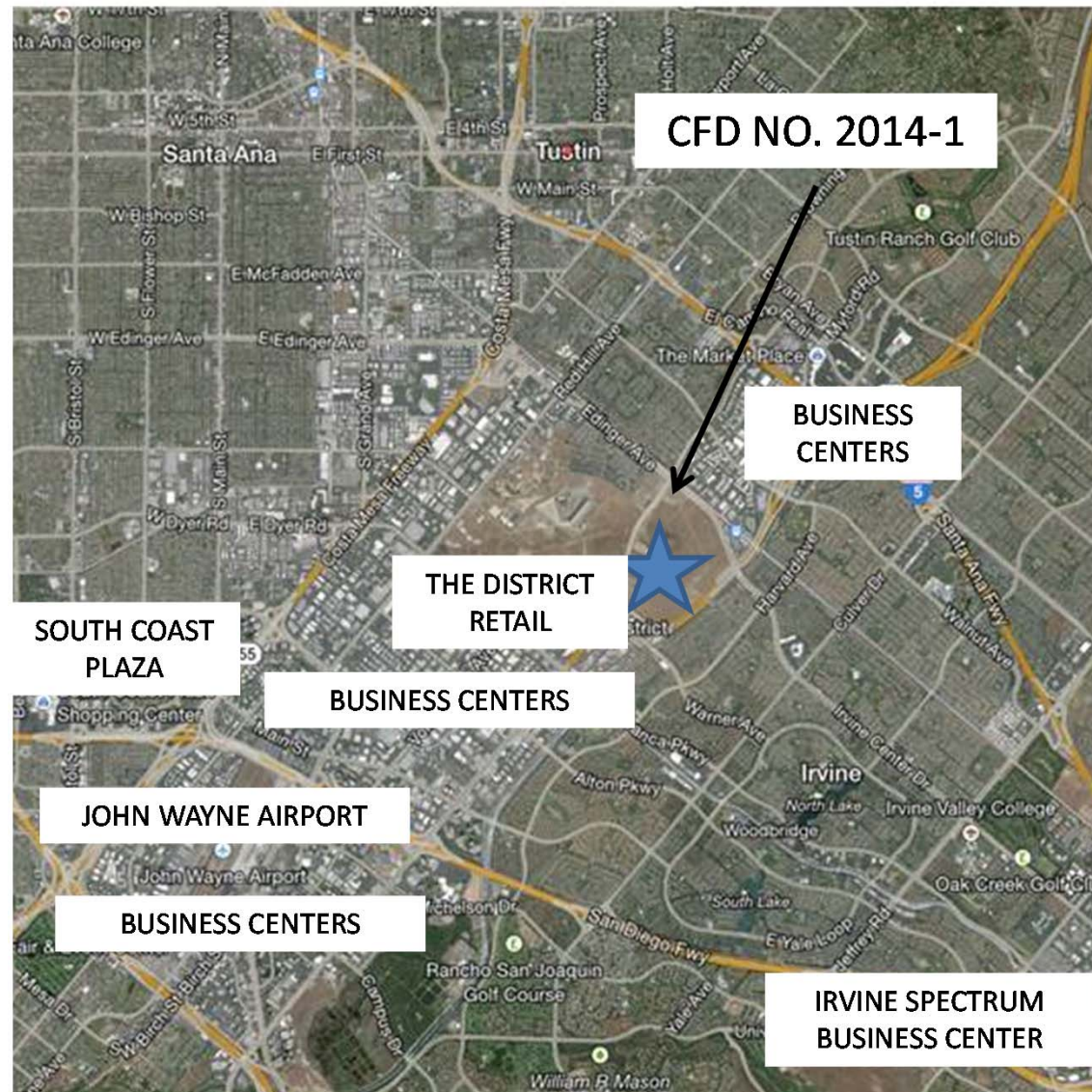
CFD No. 2014-1 is very well situated in close proximity to the John-Wayne Airport Area and also the Irvine Spectrum; these Business Centers have had strong employment growth which generates a strong demand for homes.

Furthermore, there are also significant retail centers as well: The District Retail Center situated near CFD No. 2014-1, The Irvine Spectrum, and South Coast Plaza.

Specifically, “The District” Retail Center in Tustin includes the following: Whole Foods Market, Costco, Target, Lowe’s, TJ Maxx/Home Goods, Michaels, Pet Mart as well as AMC Theatres, numerous specialty shops, and restaurants .

For an overview of the development trends/patterns in the vicinity of CFD No. 2014-1, please refer to the map on the following page.

**OVERVIEW OF DEVELOPMENT PATTERNS IN THE VICINITY OF CFD NO. 2014-1
(NOTE: AERIAL DATED, NOT CURRENT)**

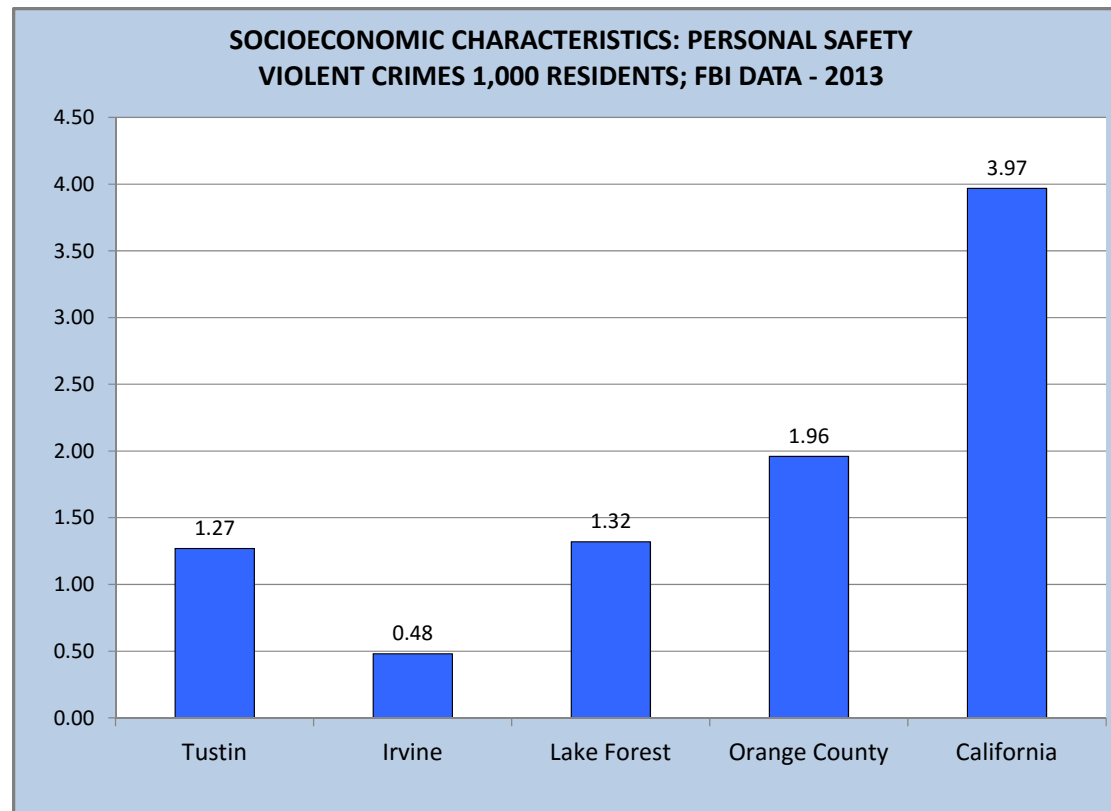


B. SOCIOECONOMIC CHARACTERISTICS: CRIME LEVELS AND THE QUALITY OF SCHOOLS

When households consider the purchase of a home, the primary factors are the location of the residence relative to their place of employment and also the prices that they can afford. Furthermore, secondary socioeconomic factors that are significant include the neighborhood safety as well as the educational quality of the schools; accordingly, these are now discussed.

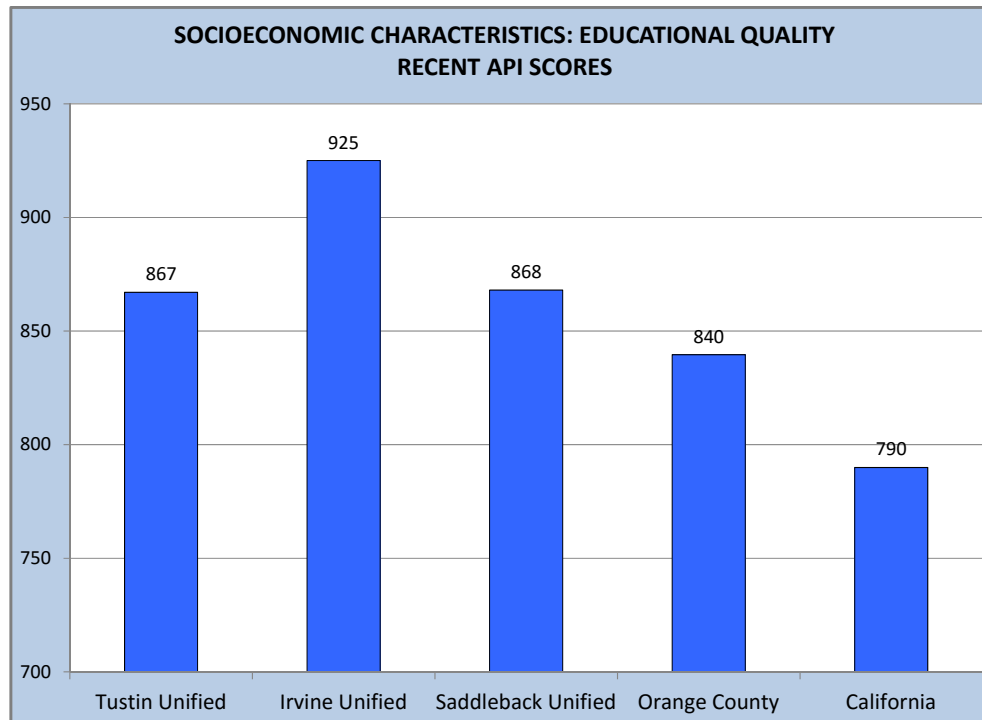
Crime Levels and Safety in the City of Tustin

To gauge the safety of the CFD No. 2014-1 Market Region, information on crime levels was obtained utilizing the most recent data available (the 2013 calendar year) from the Federal Bureau of Investigation (FBI) Index, with a focus on “Violent Crimes.” Accordingly, the City of Tustin had a violent crime rate of 1.27 per 1,000 residential in 2013, below that of Orange County’s 1.96. Furthermore, the City of Tustin’s violent crime rate was much lower than that for California as a whole, which amounted to 3.97.



Quality of Schools and Education

To gauge the quality of schools in the CFD No. 2014-1 Market Region, information was compiled on educational achievement for all of the school districts in Orange County, utilizing the Academic Performance Index Scores (API), published by the California Department of Education in the most recent report available, dated 2013. Accordingly, Tustin Unified School District has an API of 867, higher than the overall average for Orange County of 840 and also higher than for California of 790 as a whole.



Conclusions

From a socioeconomic perspective, the CFD No. 2014-1/City of Tustin has a significantly lower crime rate and the school district has a higher educational achievement level than for Orange County and California; accordingly, these positive socioeconomic factors support the demand for the homes in CFD No. 2014-1.

SECTION IV

COMPETITIVE MARKET ANALYSIS OF THE RESIDENTIAL PROJECTS IN THE CFD NO. 2014-1 COMPETITIVE MARKET AREA

The purpose of this section is to perform an analysis of the prices, living areas and special taxes for the homes in CFD No. 2014-1 as compared to other comparable/competing projects in various Planned Communities in the Competitive Market Area (Tustin, Irvine and Lake Forest), in order to evaluate their competitiveness in the marketplace.

Identification of Newly Developing Planned Communities with Market Comparable Projects

Market surveys were performed to identify the newly developing Planned Communities in the Competitive Market Area (CMA) and then information was compiled on their characteristics, based upon a consideration of the following factors:

Identification of currently active comparable projects offering “**single-family detached**” homes.

- ✓ Projects that are situated in Planned Communities (PCs).
- ✓ Projects that have similar products types and sizes of living areas to CFD No. 2014-1, detached homes.

Compilation of information on the projects:

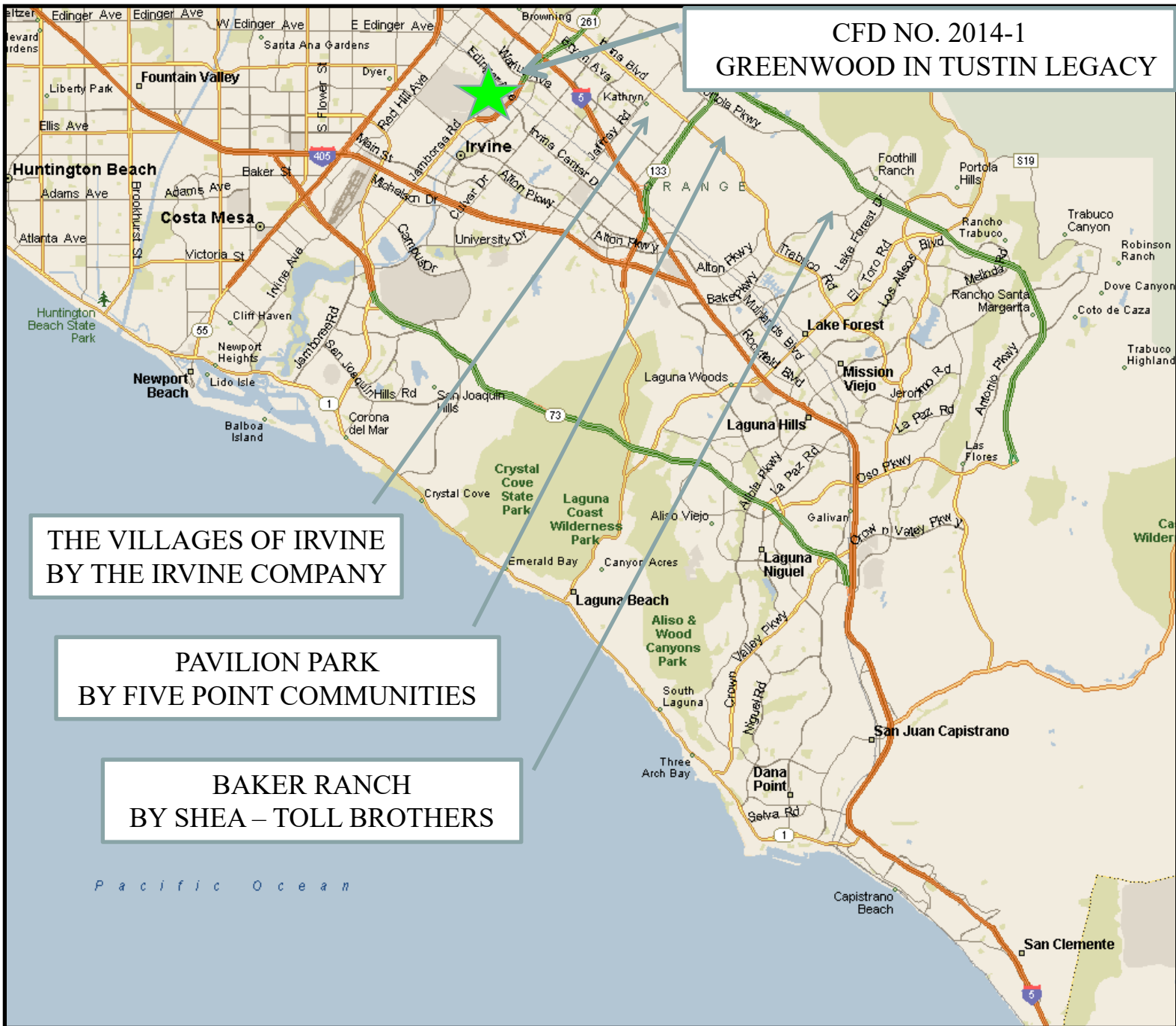
- ✓ Number of homes planned and number of escrows closed
- ✓ Current base prices
- ✓ Living Areas
- ✓ Special Taxes/Assessments

Based upon Empire’s market surveys, there are three major Planned Community Areas (PCs) that have currently active projects with detached housing products that are located in the CMA; these are as follows:

- ✓ Villages of Irvine: PCs being developed by The Irvine Company, located in easterly Irvine.
- ✓ Pavilion Park: PC by Five Point Communities, also located in easterly Irvine.
- ✓ Baker Ranch: PC by Shea/Toll Brothers located in Lake Forest.

Please refer to the map on the following page for locations of these Planned Community Areas.

CFD NO. 2014-1
GREENWOOD IN TUSTIN LEGACY



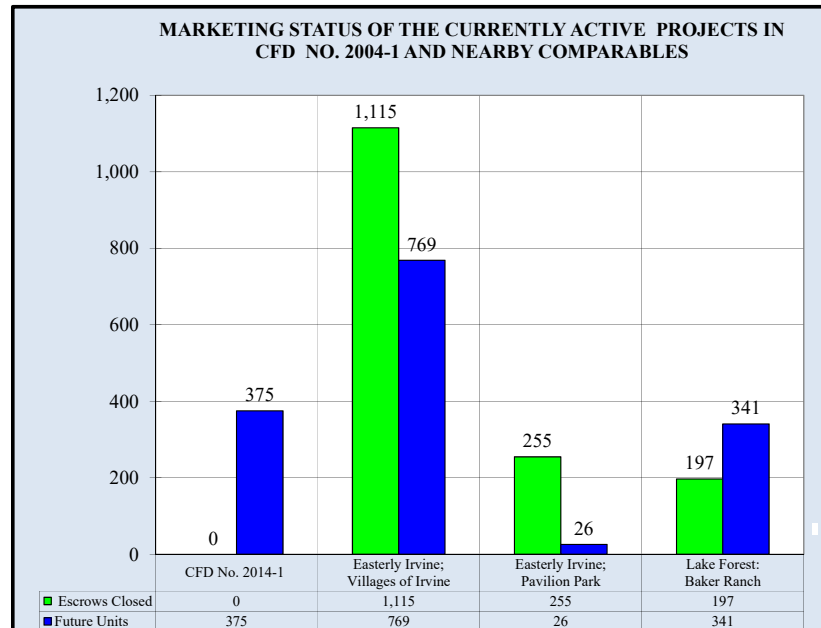
B. COMPETITIVE MARKET ANALYSIS FOR THE PROJECTS IN CFD NO. 2014-1

(Market Surveys of Comparable Projects in May 2015; Surveys for CFD No. 2014-1 in September 2015)

A Competitive Market Analysis of the projects in CFD No. 2014-1 is now performed, by comparing their characteristics with the currently active comparable projects in the CMA, which includes The Villages of Irvine, Pavilion Park and Baker Ranch. Specifically, this involves a comparative analysis of the prices, sizes of living area and Special Taxes for the currently active comparable projects and the projects in CFD No. 2014-1.

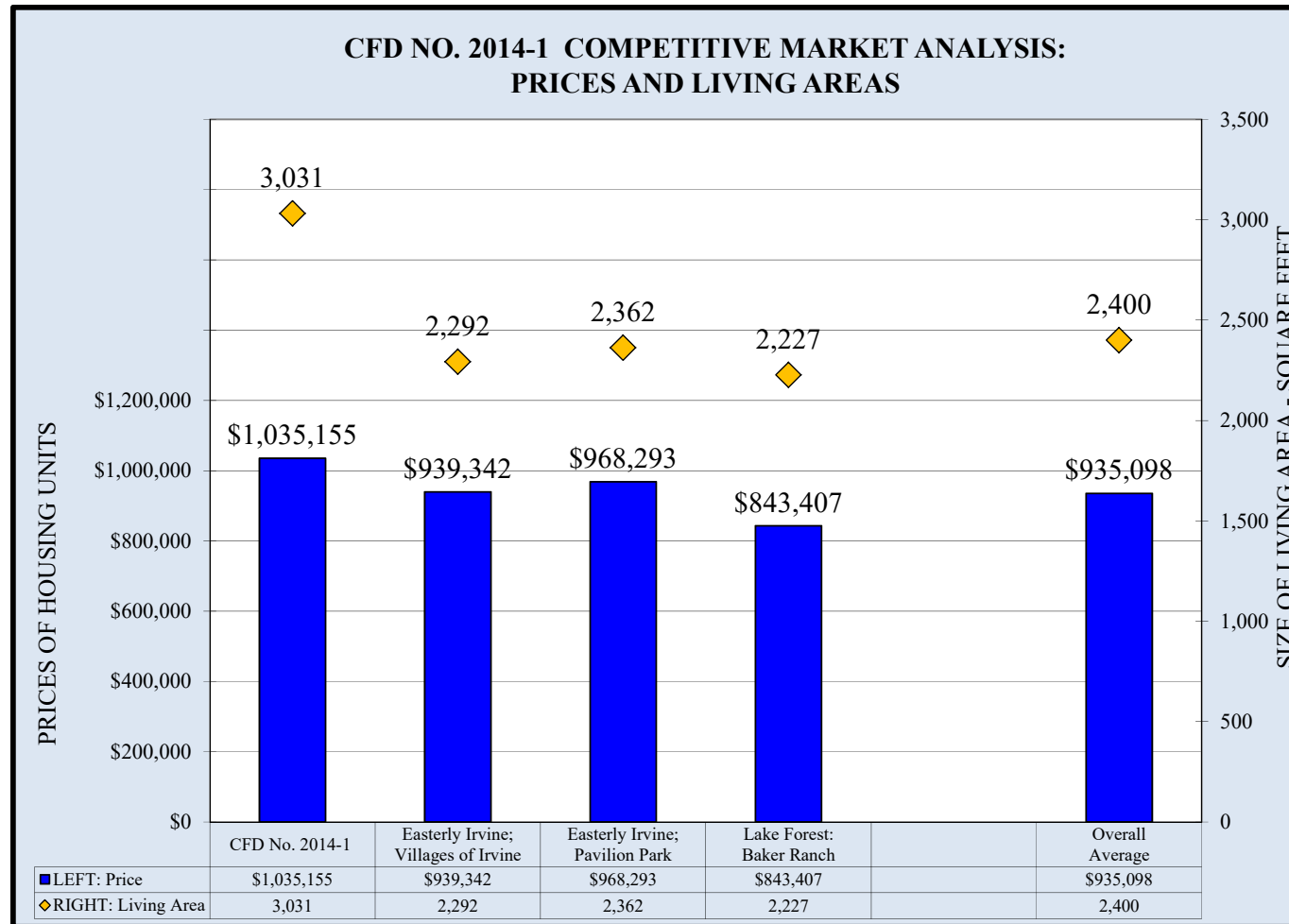
There are a total of 26 active/near-term projects with detached housing products: 4 in CFD No. 2014-1 and these projects are expected to have 3,078 homes; of these, 1,567 have closed escrows and so there are 1,511 for future escrow closings; their marketing status by the various PCs are as follows:

CFD No. 2014-1:	4 near-term projects with an expected 375 homes of which 0 have closed escrows.
Comparables: Villages of Irvine	13 projects with 1,884 homes of which 1,115 have closed escrows, so there are 769 more.
Comparables: Pavilion Park	3 projects with 281 homes of which 255 have closed escrows, so there are only 26 more.
Comparables: Baker Ranch	6 projects with 538 homes of which 197 have closed escrows, so there are 341 more.



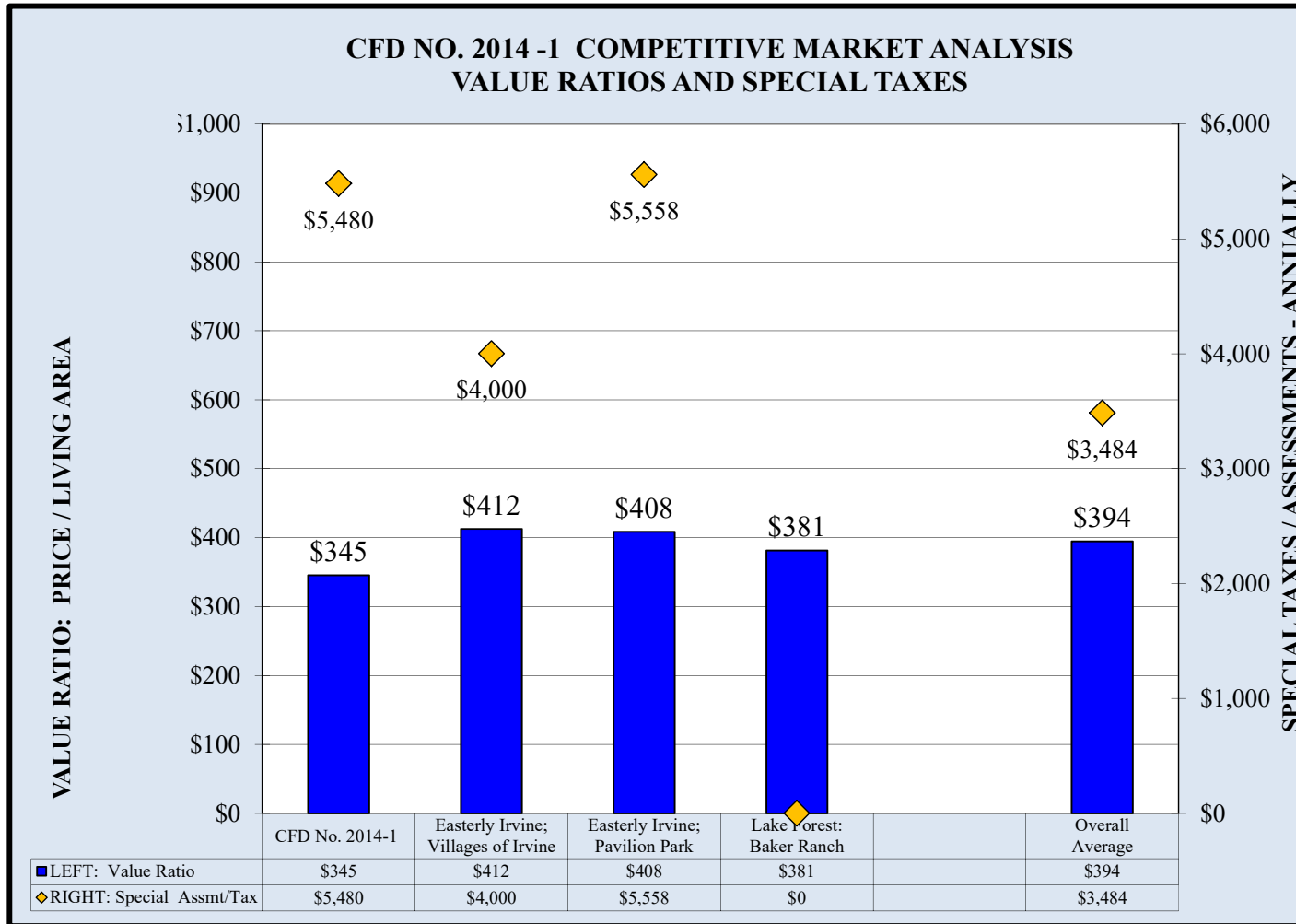
For all of the projects in CFD No. 2014-1 and the currently active projects, as a whole, their prices amount to \$935,098, on the average, and their living areas amount to 2,400 sq.ft., on the average; their characteristics by the various PC are as follows:

CFD No. 2014-1: Prices of \$1,035,155 for 3,031 sq.ft. of living area
Comparables: Villages of Irvine: Prices of \$939,342 for 2,292 sq.ft. of living area
Comparables Pavilion Park: Prices of \$968,293 for 2,362 sq.ft. of living area
Comparables: Baker Ranch Prices of \$843,407 for 2,227 sq.ft. of living area



For all of the projects as a whole, their value ratio (price divided by living area) amounts to \$394/sq.ft. and their Special Taxes amount to \$3,484 per year, or 0.37% of the housing price, on the average.

CFD No. 2014-1:	Value ratio of \$345 and Special Taxes of \$5,480 (0.53%)
Comparables: Villages of Irvine:	Value ratio of \$412 and Special Taxes of \$4,000 (0.44%)
Comparables Pavilion Park:	Value ratio of \$408 and Special Taxes of \$5,558 (0.58%)
Comparables: Baker Ranch	Value ratio of \$381 and No Special Taxes

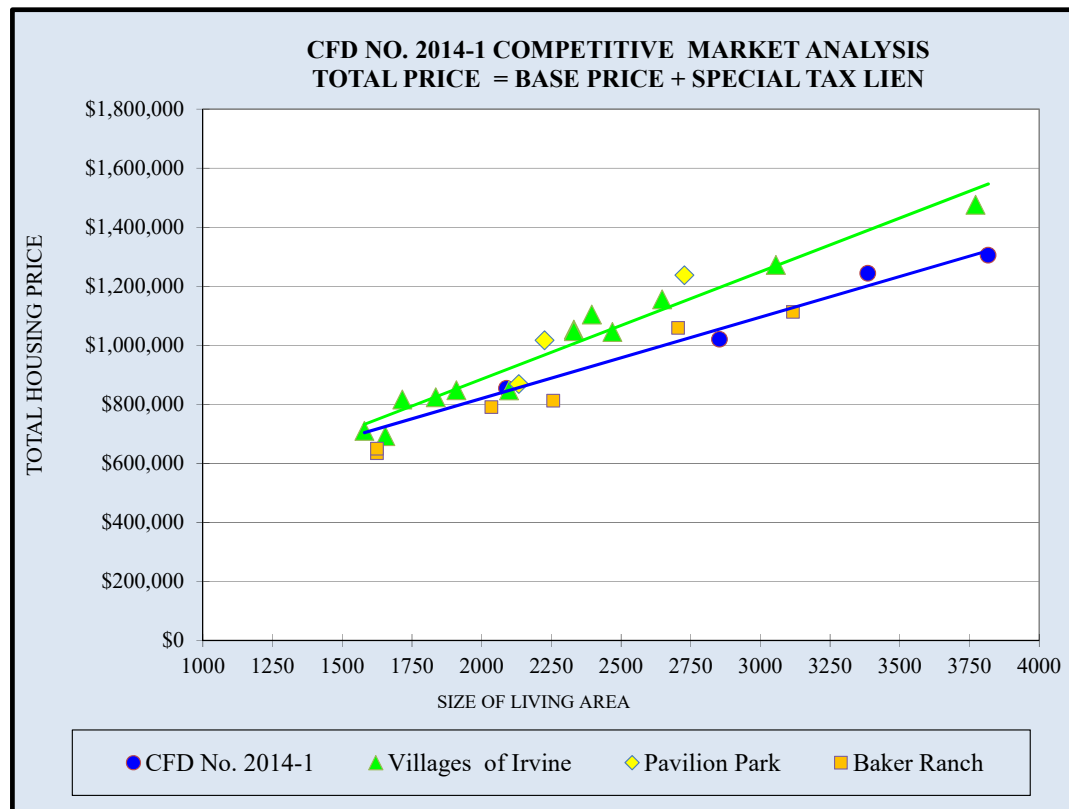


The culmination of the Competitive Market Analysis involves a statistical comparison of the currently active comparable projects (Villages of Irvine, Pavilion Park and Baker Ranch) to the projects in CFD No. 2014-1, using their total housing prices (base price plus Special Tax liens) and their sizes of living area.

The projects in CFD No. 2014-1 are represented by Blue circles, and Blue line on the graph represents the best fit for these projects. While the other symbols on the graph represent the currently active projects in the comparable PCs: Green for Villages of Irvine, Yellow for Pavilion Park and Orange for Baker Ranch.

The projects in CFD No. 2014-1 have a blue trendline which shows that their total housing prices are below/similar to all of the market comparables. Specifically, the PC of Baker Ranch in the City of Lake Forest is the closest market comparable. While the PCs in Irvine, Villages of Irvine and Pavilion Park, have established premiums due to their more desirable socioeconomic characteristics, such as higher quality schools and lower crime rates.

Therefore, the Competitive Market Analysis reveals that the projects in CFD No. 2014-1 are regarded as being competitive in the marketplace.



Remarks on Housing Price Differentials for Homes Irvine PC: Villages of Irvine and Pavilion Park vs. CFD NO. 2014-1 in Tustin

The purpose of this section is to discuss the price differential for homes in Irvine vs. Tustin, which occurs primarily as a result of the following factors:

- Different Safety Level – Crime Rates: City of Irvine vs. City of Tustin
- Difference School Districts – API Scores: Irvine Unified School District vs Tustin Unified School District

Based upon special data gathered by DataQuick, a firm that compiles real estate statistics, the median prices for new as well as existing homes sold in Tustin and Irvine during most recent twelve month time period have been as follows:

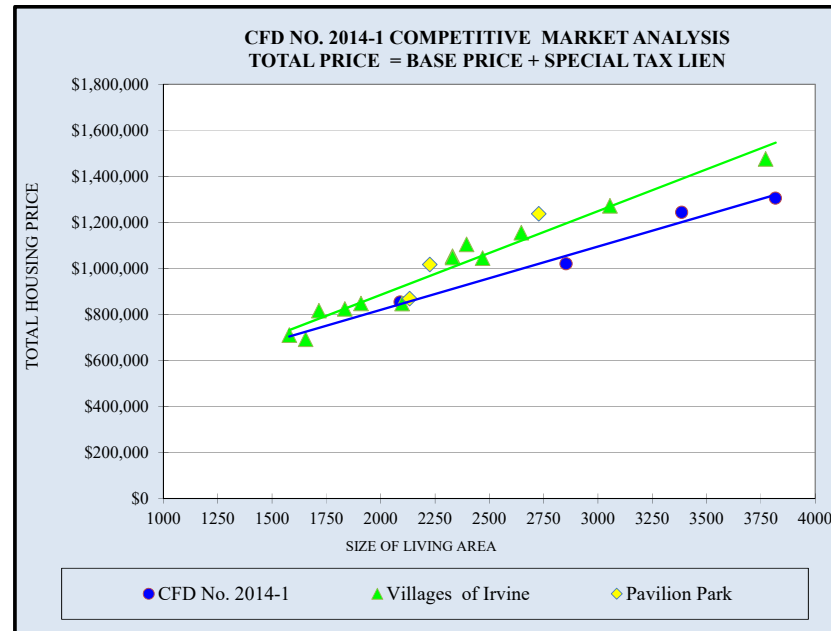
Sales Prices: City of Irvine: \$733,521 City of Tustin: \$543,917; a premium of +35%; also reflects larger sized homes

Value Ratios (Sales Price/Living Area) : City of Irvine: \$404/sq.ft. vs. City of Tustin: \$330/sq.ft.; a premium of +22%, reflects similar sized homes

Therefore, based upon an analysis of the price differentials for homes in Irvine City/School and Tustin City/School, the Irvine price premium, using the more conservative value ratio metric, amounts to approximately +22% for homes sold in Irvine vs. Tustin.

Next, a comparison of the total housing prices for projects in The Villages of Irvine with the projects in CFD No. 2014-1 reveals that for SIMILAR sized homes, the Irvine projects have price premiums of about 20%,.

Therefore, for the projects in CFD No. 2014-1, their prices are regarded as being competitive with The Villages of Irvine, since their pricing differential conforms to the market standards.



CHARACTERISTICS OF THE PROJECTS IN CFD NO. 2014-1 AND ALSO THE PROJECTS IN THE COMPARABLE PCs

Project Locations	Planned Community	Project	Builder	Product Type	Average Lot Sizes (Sq. Ft.)	Project Size and Sales				Housing Prices			Incentives	Size of Living Area			Value Ratio	Special Taxes	
						Total	Escrows		Sales Rate/Yr.	Lower	Average	Upper		Size of Living Area				(Base Rate = 1.05%-1.26%)	Ratio:
							Closed	Future						Lower	Average	Upper				Year	Tax / Price
CFD No. 2014-1	Greenwood	Sheldon	Standard Pacific Homes	Detached	2,400	103	0	103	N/A	\$756,900	\$805,851	\$853,900	\$3,500	1,860	2,090	2,343	\$386	\$3,679	0.46%
CFD No. 2014-1	Greenwood	Huntley	Brookfield	Detached	3,280	77	0	77	N/A	\$913,000	\$946,558	\$967,000	\$5,000	2,597	2,854	3,032	\$332	\$5,622	0.59%
CFD No. 2014-1	Greenwood	Crawford	Standard Pacific Homes	Detached	5,000	99	0	99	N/A	\$1,057,000	\$1,163,845	\$1,235,900	\$7,500	3,012	3,386	3,612	\$344	\$6,100	0.52%
CFD No. 2014-1	Greenwood	Stafford	Standard Pacific Homes	Detached	5,250	96	0	96	N/A	\$1,180,834	\$1,219,527	\$1,250,189	\$7,500	3,711	3,818	3,880	\$319	\$6,519	0.53%
Easterly Irvine; Villages of Irvine	Portola Springs	Luna	California Pacific Homes	Detached Condos	2,200	75	61	14	38	\$584,284	\$650,564	\$716,844	\$0	1,513	1,655	1,796	\$393	\$3,200	0.49%
Easterly Irvine; Villages of Irvine	Cypress Village	Jade Court	California Pacific Homes	Detached Condos	2,500	160	104	56	62	\$636,000	\$671,250	\$706,500	\$0	1,559	1,580	1,600	\$425	\$3,000	0.45%
Easterly Irvine; Villages of Irvine	Portola Springs	Sage II	KB Home	Detached Condos	2,800	125	30	95	35	\$724,880	\$758,380	\$791,880	\$0	1,697	1,836	1,975	\$413	\$5,000	0.66%
Easterly Irvine; Villages of Irvine	Cypress Village	Jasmine	Irvine Pacific	Detached Condos	2,300	228	56	172	56	\$749,000	\$770,400	\$791,800	\$0	1,627	1,716	1,804	\$449	\$3,500	0.45%
Easterly Irvine; Villages of Irvine	Portola Springs	Colibri	Ryland Homes	Detached Condos	2,500	92	72	20	42	\$748,200	\$791,850	\$835,500	\$1,000	1,875	2,099	2,323	\$377	\$4,200	0.53%
Easterly Irvine; Villages of Irvine	Cypress Village	Marigold	Irvine Pacific	Detached Condos	2,500	242	169	73	84	\$778,550	\$801,750	\$824,950	\$0	1,840	1,910	1,979	\$420	\$3,500	0.44%
Easterly Irvine; Villages of Irvine	Cypress Village	Magnolia	Irvine Pacific	Detached	3,800	163	136	27	68	\$900,900	\$990,200	\$1,079,500	\$0	2,196	2,470	2,743	\$401	\$4,200	0.42%
Easterly Irvine; Villages of Irvine	Stonegate	Mendocino	Irvine Pacific	Detached	3,500	247	219	28	85	\$989,000	\$999,500	\$1,010,000	\$0	2,221	2,331	2,441	\$429	\$4,100	0.41%
Easterly Irvine; Villages of Irvine	Cypress Village	Laurel	Irvine Pacific	Detached	3,400	120	29	91	30	\$949,500	\$1,002,000	\$1,054,500	\$0	2,170	2,332	2,493	\$430	\$3,500	0.35%
Easterly Irvine; Villages of Irvine	Cypress Village	Mulberry	Irvine Pacific	Detached	3,600	178	158	20	79	\$981,700	\$1,053,400	\$1,125,100	\$0	2,199	2,396	2,592	\$440	\$3,900	0.37%
Easterly Irvine; Villages of Irvine	Stonegate	Lafayette	Richmond American	Detached	4,000	60	0	60	30	\$1,057,990	\$1,097,990	\$1,137,990	\$1,000	2,443	2,648	2,853	\$415	\$4,400	0.40%
Easterly Irvine; Villages of Irvine	Stonegate	Arcadia	TRI Pointe Homes	Detached	4,000	127	66	61	36	\$1,191,900	\$1,211,900	\$1,231,900	\$0	2,909	3,056	3,202	\$397	\$4,600	0.38%
Easterly Irvine; Villages of Irvine	Stonegate	Sausalito	Shea Homes	Detached	4,000	67	15	52	12	\$1,360,365	\$1,412,260	\$1,464,155	\$1,000	3,533	3,772	4,011	\$374	\$4,900	0.35%
Easterly Irvine; Pavilion Park	Pavilion Park	Birch Trail	Richmond American	Detached Condo	3,700	88	78	10	49	\$754,990	\$802,490	\$849,990	\$5,000	1,878	2,133	2,388	\$376	\$5,051	0.63%
Easterly Irvine; Pavilion Park	Pavilion Park	Beachwood	Lennar	Detached	4,500	90	88	2	56	\$899,990	\$949,490	\$998,990	\$5,000	1,767	2,226	2,685	\$427	\$5,167	0.54%
Easterly Irvine; Pavilion Park	Pavilion Park	Sagewood	Shea Homes	Detached	6,400	103	89	14	56	\$1,082,900	\$1,152,900	\$1,222,900	\$5,000	2,515	2,728	2,941	\$423	\$6,457	0.56%
Lake Forest	Baker Ranch	The Knolls	Shea Homes	Detached	2,350	85	60	25	50	\$614,900	\$634,900	\$654,900	\$6,000	1,578	1,625	1,671	\$391	\$0	0.00%
Lake Forest	Baker Ranch	The Peak	Shea Homes	Detached	2,500	102	0	102	48	\$629,900	\$649,900	\$669,900	\$6,000	1,578	1,625	1,671	\$400	\$0	0.00%
Lake Forest	Baker Ranch	Parkview	Toll Brothers	Detached	3,200	111	43	68	40	\$760,495	\$790,745	\$820,995	\$0	1,874	2,035	2,196	\$389	\$0	0.00%
Lake Forest	Baker Ranch	Ridgewood	Shea Homes	Detached	4,000	85	41	44	34	\$794,900	\$812,400	\$829,900	\$6,000	2,124	2,257	2,390	\$360	\$0	0.00%
Lake Forest	Baker Ranch	Heights	Toll Brothers	Detached	4,800	72	27	45	28	\$1,044,000	\$1,059,000	\$1,074,000	\$0	2,695	2,705	2,714	\$392	\$0	0.00%
Lake Forest	Baker Ranch	Highlands	Toll Brothers	Detached	6,700	83	26	57	25	\$1,100,995	\$1,113,495	\$1,125,995	\$0	2,966	3,117	3,268	\$357	\$0	0.00%
Statistical Summary																			
			Projects																
CFD No. 2014-1			4		375	0	375	N/A		\$976,934	\$1,035,155	\$1,076,747	\$5,875	2,795	3,031	3,217	\$345	\$5,480	0.53%
Easterly Irvine; Villages of Irvine			13		1,884	1,115	769	657		\$896,328	\$939,342	\$982,355	\$231	2,137	2,292	2,447	\$412	\$4,000	0.44%
Easterly Irvine; Pavilion Park			3		281	255	26	161		\$912,627	\$968,293	\$1,023,960	\$5,000	2,053	2,362	2,671	\$408	\$5,558	0.58%
Lake Forest: Baker Ranch			6		538	197	341	225		\$824,198	\$843,407	\$862,615	\$3,000	2,136	2,227	2,318	\$381	\$0	0.00%
Totals/Averages (Simple Aveages, Not Weighted Averages)				26	3,078	1,567	1,511	1,043		\$893,964	\$935,098	\$974,045	\$2,288	2,228	2,400	2,562	\$394	\$3,484	0.37%

SECTION V

ESTIMATED ABSORPTION SCHEDULES FOR PROJECTS IN CFD NO. 2014-1

The purpose of this section is to estimate the absorption schedules for the residential projects in CFD No. 2014-1 (Greenwood in Tustin Legacy), based upon a consideration of the recent/expected economic and housing market demand/supply conditions.

A. Methodology Underlying the Absorption Forecasts

Empire Economics estimated the expected absorption schedules for the residential projects in CFD No. 2014-1 through a comprehensive analysis of the following factors:

- The anticipated development schedule for the projects: their Grand Opening was June 2015.
- The competitive market analysis of the projects in CFD No. 2014-1 with currently active comparable projects, based upon their prices, sizes of living areas and special taxes, revealed that the projects in CFD No. 2014-1 are competitive in the marketplace.
- The expected market demand for homes in the CFD Market Area is based upon recent/expected economic and real estate factors according to the Most Probable Economic Scenario.
- The estimated absorption schedule for each of the projects takes into consideration their market entry during June 2015 and their anticipated schedule for move-ins now starting in November 2015.
- Furthermore, consideration is given to the potential for higher mortgage rates during the foreseeable future; however, this is somewhat offset by the strong rates of employment growth.

B. Estimated Absorption Schedules for the Residential Projects in CFD No. 2014-1

- **September – December 2015:** Based upon Standard Pacific Homes and Brookfield's anticipated schedule for move-ins commencing during the remainder of 2015, Empire estimates 80 home closings during this time period.
 - ✓ Sheldon: 15 homes
 - ✓ Huntley: 21 homes
 - ✓ Crawford: 23 homes
 - ✓ Stafford: 21 homes
- **January 2016 – December 2016:** Empire expects 155 home closings during this time period, based upon all of the projects being on the marketplace for the entire year.
 - ✓ Sheldon: 50 homes
 - ✓ Huntley: 40 homes
 - ✓ Crawford: 35 homes
 - ✓ Stafford: 30 homes

- **January 2017 – December 2017:** Empire expects 130 home closings during this time period, as three of the projects are closed-out.
 - ✓ Sheldon: 38 homes, with this project closing-out
 - ✓ Huntley: 16 homes, with this project closing-out
 - ✓ Crawford: 41 homes, with this project closing-out
 - ✓ Stafford: 35 homes
- **January 2018 – December 2018:** Empire expects 10 home closings during this time period, as the final project is closed-out.
 - ✓ Stafford: 10 homes, with this project closing-out

C. Discussion of Potential Risk Factors

Macroeconomic: Potential adverse changes in overall economic conditions due to some unforeseen event that causes substantial reductions in employment and/or significantly higher mortgage rates.

With regards to potential increases in mortgage rates, the economic - real estate model underlying the estimation of the absorption schedule takes into consideration a gradual increase in mortgage rates during the foreseeable future; the risk factors discussed herein applies to a spike in mortgage rates in a short period of time.

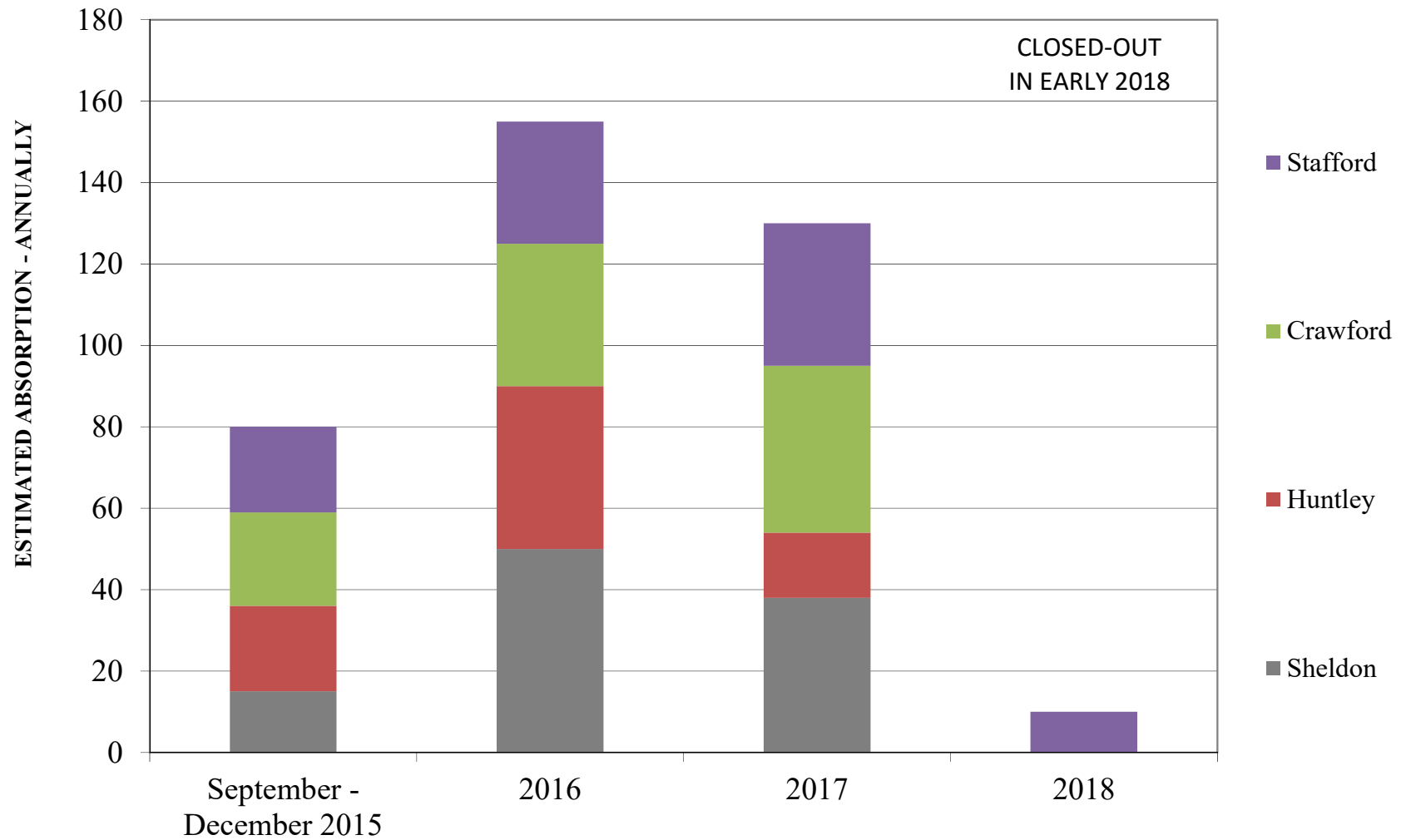
Microeconomic: Changes in south Orange County's housing market; however, such risk factors are regarded as being minimal since CFD No. 2014-1 is very well positioned in the marketplace.

Project Related: Potential shifts in the development strategy by the developer/builders, Standard Pacific and Brookfield, for the projects in CFD No. 2014-1, in response to changes in the marketplace.

Finally, the estimated absorption schedules are subject to the additional Assumptions and Qualifications set-forth in the next section.

Please refer to the graph and table on the following pages for additional information on the estimated absorption schedules.

**CFD NO. 2014-1 (GREENWOOD IN TUSTIN LEGACY)
ESTIMATED ABSORPTION SCHEDULES**



ESTIMATED ABSORPTION SCHEDULES						
CFD NO. 2014-1 (GREENWOOD IN TUSTIN LEGACY)						
Projects >	Sheldon	Huntley	Crawford	Stafford	Overall	
					Totals	Averages
Builders	Standard Pacific Homes	Brookfield	Standard Pacific Homes	Standard Pacific Homes		
Expected Product Types	Single-family Detached	Single-family Detached	Single-family Detached	Single-family Detached		
Lot Sizes - Approximate	2,400	3,280	5,000	5,250		
Housing Units						
Totals	103	77	99	96	375	
Share	27.5%	20.5%	26.4%	25.6%	100.0%	
Marketing Status: Sept. 2015						
Closed	0	0	0	0	0	
Sales	51	21	23	21	116	
Future Closings	103	77	99	96	375	
Expected Product Mix						
Plan # 1	31	20	26	26		
Plan # 2	36	26	34	32		
Plan # 3	19	31	39	38		
Plan # 4	17					
Totals	103	77	99	96		375
Living Areas (Sq. Ft.)						
Plan # 1	1,860	2,597	3,012	3,711		
Plan # 2	2,126	2,839	3,412	3,831		
Plan # 3	2,171	3,032	3,612	3,880		
Plan # 4	2,343					
Averages	2,090	2,854	3,386	3,818		3,031
Current Prices						
Plan # 1	\$756,900	\$913,000	\$1,057,000	\$1,180,834		
Plan # 2	\$817,900	\$948,000	\$1,162,900	\$1,214,553		
Plan # 3	\$819,900	\$967,000	\$1,235,900	\$1,250,189		
Plan # 4	\$853,900					
Averages	\$805,851	\$946,558	\$1,163,845	\$1,219,527		\$1,035,155
Value Ratios : (Price / Living Area)	\$386	\$332	\$344	\$319		\$341
Tax Burden						
Ad Valorem - Percent of Price	1.10%	1.10%	1.10%	1.10%		1.10%
Special Taxes \$/Yr - Avg.	\$3,679	\$5,622	\$6,100	\$6,519		\$5,458
* Total Tax Burden %/Price	1.56%	1.69%	1.62%	1.63%		1.63%
Projects >	Sheldon	Huntley	Crawford	Stafford	Annually	Cumulative
Estimated Absorption Schedules						
September - December 2015	15	21	23	21	80	80
2016	50	40	35	30	155	235
2017	38	16	41	35	130	365
2018	0	0	0	10	10	375
Totals	103	77	99	96	375	

ASSUMPTIONS AND LIMITING CONDITIONS

The Market Absorption Study is based upon various assumptions and limiting conditions; accordingly, these are as follows:

Property Boundaries

No survey or engineering analysis of CFD No. 2014-1 property has been made by the market analyst; the District Engineer's report utilized for the Bond is deemed to be reliable. The market analyst assumes the existing boundaries to be correct, that no encroachments exist and assumes no responsibility for any condition not readily observable from customary investigation and inspection of the premises, which might affect the valuation, excepting those items which were specifically mentioned in the report.

Maps and Exhibits

Maps and exhibits included in this report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys, or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.

Title to Property

No opinion as to title is rendered. Data related to ownership and legal description, obtained from governmental records related to the formation of the District that forms the basis for identifying the boundaries of CFD No. 2014-1 are considered reliable. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is evaluated assuming to be under responsible ownership and competent management and available for development to highest and best use.

Earthquakes and Seismic Hazards

The property which is the subject of this market analysis is within a geographic area prone to earthquakes and seismic disturbances. Except as specifically indicated in the report, no seismic or geologic studies have been provided to the market analyst concerning the geologic and/or seismic condition of the subject property. The market analyst assumes no responsibility for the possible effect on the subject property of seismic activity and/or earthquakes.

Soil and Geological Studies

No detailed soil studies or geological studies or reports were made available to the market analyst. Assumptions employed in this report regarding soils and geologic qualities of the subject property have been provided to the client. However, such assumptions are not conclusive and the market analyst assumes no responsibility for soils or geologic conditions discovered to be different from the conditions assumed unless otherwise stated in this report.

Presence and Impact of Hazardous Material

Unless otherwise stated in the report, the market analyst did not become aware of the presence of any hazardous material or substance during the market analyst's general inspection of the subject property. However, the market analyst is not qualified to investigate or test for the presence of such materials or substances. The presence of such materials or substances may adversely affect the evaluation of the subject property. The market analyst assumes no responsibility for the presence of any such substance or material on or in the subject property, nor for any expertise or engineering knowledge required to discover the presence of such substance or material.

Structural Deficiencies of Improvements

The market analyst has not performed a thorough inspection of the subject property, and except as noted in this report has not found obvious evidence of structural deficiencies in any improvements located on the subject property. Consequently, the market analyst assumes no responsibility for hidden defects or nonconformity with specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes, unless inspections by qualified independent professions or governmental agencies were provided to the market analyst. Further, the market analyst is not a licensed engineer or architect and assumes no responsibility for structural deficiencies not apparent to the market analyst at the time of their inspection.

Environmental and Other Regulations

The property is evaluated assuming it to be in full compliance with all applicable federal, state and local environmental regulations and laws, unless otherwise stated, and that there are no lawsuits that may adversely impact the rate of development.

Required Permits and Other Governmental Authority

Unless otherwise stated, the property evaluated is assumed to have all required licenses, permits, certificates, consents or other legislative and/or administrative authority from any local, state or national government or private entity or organization that have been or can be obtained or renewed for any use on which the evaluation analysis contained in this report is based upon.

Designated Economic Scenario

The Market Absorption Study focuses upon the expected absorption schedule for the products in CFD No. 2014-1 according to the designated economic scenario. Specifically, this scenario represents the economic and real estate conditions for the Market Region and also the Market Area during the foreseeable future according to the most probable conditions, and this is regarded as being appropriate for the Bond Financing. However, the economic and market conditions which actually materialize on a year by year basis may differ from those presented according to the designated economic scenario, as a result of exogenous factors which are difficult to forecast/quantify. Accordingly, the designated scenario should be utilized as an economic framework for evaluating the marketing prospects of the properties within CFD No. 2014-1 rather than a "literal" representation of what is expected to occur on a year/year basis during the foreseeable future.

Provision of the Infrastructure

The Market Absorption Study assumes that the governmental agencies that supply public facilities and services, including water, provide these in a timely manner so that the proposed products/projects in CFD No. 2014-1 can respond to the expected market demand for their products. Otherwise, if the required infrastructure is not available in a timely manner, then the absorption of the products/projects could be adversely impacted.

Developer/Builders Responsiveness to Market Conditions

The Market Absorption Study assumes that the developer/builders in CFD No. 2014-1 respond to the market conditions with products that are competitively priced and have the features/amenities that are desired by the purchasers. Specifically, most of the homes in CFD No. 2014-1 have not yet entered the marketplace, and so the specific characteristics of their product types cannot be identified until they actually offer products on the marketplace. Consequently, to the extent that future products/projects have prices/features that differ from the competitive market standards, then their absorption schedule would need to be modified from those presented according to the designated economic scenario.

Financial Strength of the Projects' Developer/Builders

The Market Absorption Study assumes that the developer/builders in CFD No. 2014-1 (and also their lenders) have sufficient financial strength to adequately fund their projects, including paying their Special Taxes/Assessments, and that they have sufficient financial reserves which could be utilized to supplement their cash flow positions, in the event that adverse economic or market conditions occur.

Accuracy of Information from Others

In preparing this report, the market analyst was required to rely on information furnished by other individuals or found in previously existing records and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either expressed or implied, is given by the market analyst for the accuracy of such information and the market analyst assumes no responsibility for information relied upon and later found to have been inaccurate. The market analyst reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

Liability of Market Analyst

The liability of Empire Economics, the market analyst responsible for this report, is limited to the client only and to the fee actually received by the market analyst. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussion. The market analyst is in no way to be responsible for any costs incurred to discover or correct any deficiencies or any type present in the property--physical, financial, and/or legal.

Testimony or Court Attendance

Testimony or attendance in court or at any other hearing is not required by reason of rendering this market analysis, unless such arrangements are made a reasonable time in advance of said hearing. Separate arrangements would need to be made concerning compensation for the market analyst's time to prepare for and attend any such hearing.

Right of Publication of Report

Possession of this report, or a copy of it, does not carry with it the right of publication except for the party to whom it is addressed. Without the written consent of the market analyst, this report may not be used for any purpose by any person other than the party to whom it is addressed. In any event, this report may be used only with properly written qualification and only in its entirety for its stated purpose which is being published in the Official Statement.

Timeliness of the Market Absorption Study

The Market Absorption Study performs a comprehensive analysis of the relevant land-use, economic, residential and commercial market conditions that are expected to influence the marketing success of the products/projects in CFD No. 2014-1. Nevertheless, the Study should be dated within six-months of the Bond Sale, or even sooner, should these land-use and/or economic market as well as real estate conditions change significantly.

APPENDIX A: CREDENTIALS/QUALIFICATIONS OF EMPIRE ECONOMICS

Empire Economics is an economic and real estate consulting firm that specializes in conducting market absorption studies on behalf of public entities for residential, commercial, and industrial projects located throughout California, with an emphasis on Master Planned Communities, Business Parks and Retail Centers situated in Southern California, including Orange County, in particular.

During the past thirty years, Empire Economics has performed consulting services on behalf of numerous Issuers for approximately 500 municipal tax-exempt bond issues amounting to more than \$14+ billion.

Empire Economics' experience with municipal tax-exempt issues during the past twenty-five+ years has been as follows:

- ✓ Mello-Roos/Assessment District Financings in which bonds have been sold: Over four hundred Bond Issues amounting to more than \$7.5+ billion. Empire Economics' Market Studies are typically for Planned Communities and Business Parks which have 500-2,000+ housing units and/or 50-100+ commercial-industrial acres.
- ✓ Mortgage Revenue Bond Financings: Fifty+ issues with bonds amounting to more than \$1.7 billion.
- ✓ Socioeconomic Forecast/Market Studies for the \$2.75 billion refundings for the San Joaquin Hills and Foothill/Eastern Transportation Corridors' Toll Roads located in Orange County; the latter was designated as the Municipal Bond Issue of the Year for 1999.
- ✓ Mello-Roos/Assessment District Financings that are presently in their formative stages: over thirty CFDs that have forthcoming Bond Issues amounting to \$500+ million.

Empire Economics has taken an active role in the municipal bond industry by participating in numerous events; some examples are as follows:

- ✓ Treasurer John Chiang, Council of Economic Advisors
- ✓ California Debt Advisory Commission: Land Secured Practices and Policies , Speaker/Panelist
- ✓ League of Cities: Most Recently in Anaheim and Monterey: Speaker/Panelist
- ✓ UCLA Municipal Bond Financing Seminars: Featured Speaker
- ✓ Municipal Bond Industry Association - Panelist
- ✓ Best Practices for Continuing Disclosure – Panelist
- ✓ Appraisal Standards for Land Secured Financing by CDIAC – Panelist/Contributor
- ✓ Rating Agency and Bond Insurer Presentations – More than 15 Trips to New York City
- ✓ Meetings with Municipal Bond Funds:
- ✓ Mello-Roos Bond Issues – Site Tours
- ✓ San Joaquin Hills and Foothill Eastern Corridors:
- ✓ Bond Buyer Seminar Presentations in New York, Boston, and Chicago to 50+ Bond Funds

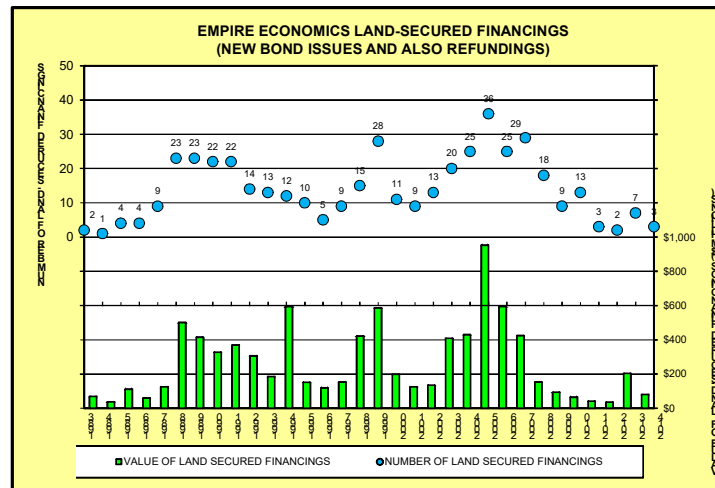
Consequently, the Municipal Bond Funds and Rating Agencies are familiar with Empire Economics and also the Price Point and Market Absorption studies that it has conducted for Planned Communities, Business Parks and Retail Centers in Southern California. This is beneficial to the forthcoming Bond Issues since these Market Studies have enabled Empire Economics to establish a high degree of credibility with the municipal Bond Funds and Rating Agencies. At such events, Empire Economics focuses upon discussing emerging trends/patterns in the economy and real estate markets.

Empire Economics has participated in numerous land secured financings throughout Southern California counties; the distribution of these by counties has been as follows:

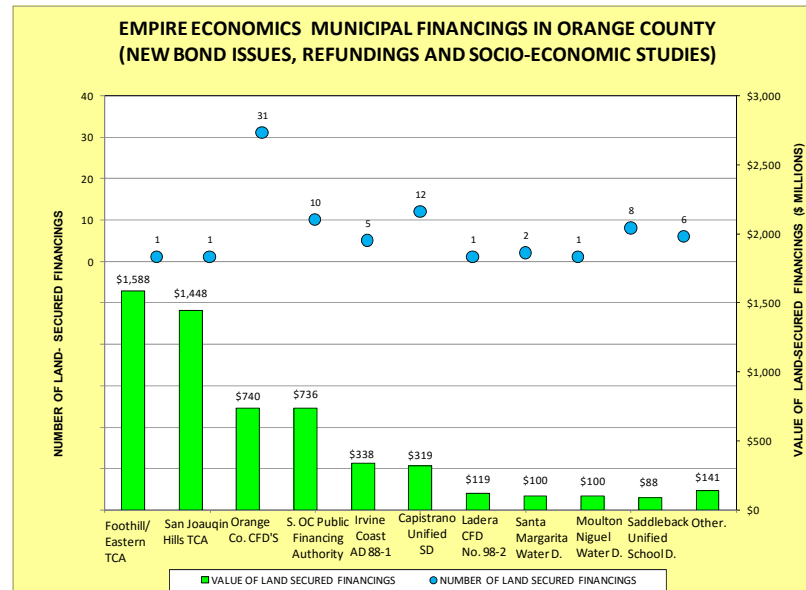
EMPIRE ECONOMICS: LAND-SECURED FINANCINGS



The following graph provides an overview of the number of land secured financings that Empire has been involved with (the left axis) and also the value of these land secured financings (right axis, in \$Millions), during 1983 to March 2014.



During the past thirty years, Empire Economics has completed about ninety studies for land secured municipal bond financing for various Districts located in Orange County.



Consequently, the Municipal Bond Funds are familiar with Empire Economics and also the Market Studies that it has conducted for Planned Communities, Business Parks and Retail Centers in Southern California, in general, and Orange County, in particular. This is beneficial to the Bond Issues for the City of Tustin since these Price Point and Market Absorption studies have enabled Empire Economics to establish a high degree of credibility with the municipal Bond Funds and Rating Agencies.

The following represent some of the major Planned Communities and Business Parks in Orange County for which Empire has provided Market Absorption Consulting Services:

- ✓ City of Irvine: Columbus Grove and Central Park West
- ✓ Aliso Viejo: 18,500 homes and 600 acres of business-retail.
- ✓ Rancho Santa Margarita: 15,000 homes and 500 acres of business-retail
- ✓ Ladera Ranch: 8,100 homes and 150 acres of commercial-retail
- ✓ Talega: 4,000 homes and 75 acres of business-retail
- ✓ Newport Coast: 2,000+ luxury homes and custom lots
- ✓ Heritage Fields by Five Point Communities in easterly Irvine, with an expected 9,500 homes
- ✓ Rancho Mission Viejo 14,000 planned homes; Sendero the first phase with about 940 homes

APPENDIX E

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR THE CITY OF TUSTIN COMMUNITY FACILITIES DISTRICT NO. 2014-1 (TUSTIN LEGACY/STANDARD PACIFIC)

A Special Tax (all capitalized terms used herein are defined in Section A., "Definitions", below) shall be levied on all Assessor's Parcels of Taxable Property in the City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) ("CFD No. 2014-1") and collected each Fiscal Year commencing in Fiscal Year 2014-2015, in an amount determined through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 2014-1, 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 capitalized 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 the Assessor's Parcel Map, the land area as shown on the applicable Final Subdivision, parcel map, condominium plan, or other recorded County parcel map. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

"Act" means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2014-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs of the City, CFD No. 2014-1 or any designee thereof of complying with any arbitrage rebate requirements applicable to the Bonds; the costs of the City, CFD No. 2014-1 or any designee thereof of complying with City, CFD No. 2014-1 or obligated persons disclosure requirements of applicable federal and state securities laws and the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2014-1 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from any escrow account established for CFD No. 2014-1; and the City's annual administration fees and third party expenses in anyway related to CFD No. 2014-1. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2014-1 for any other administrative purposes of CFD No. 2014-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

"Annual Special Tax A" means the Special Tax A actually levied in any Fiscal Year on any Assessor's Parcel.

“Annual Special Tax B” means the Special Tax B actually levied in any Fiscal Year on any Assessor’s Parcel.

“Approved Property” means all Assessor’s Parcels of Taxable Property: (i) that are included in a Final Subdivision that was recorded prior to the January 1st preceding the Fiscal Year in which the Special Tax A is being levied, and (ii) that have not been issued a building permit on or before May 1st preceding the Fiscal Year in which the Special Tax A is being levied.

“Assessor’s Parcel” means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor Parcel Number.

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

“Assessor’s Parcel Number” means that number assigned to an Assessor’s Parcel by the County for purposes of identification.

“Assigned Annual Special Tax A” means the Special Tax A for each Land Use Category of Developed Property, as determined in accordance with Section C.1.a., below.

“Authorized Facilities” means those facilities authorized to be financed by CFD No. 2014-1 pursuant to the Act and the proceedings to form CFD No. 2014-1.

“Authorized Services” means those services authorized to be financed by CFD No. 2014-1 pursuant to the Act and the proceedings to form CFD No. 2014-1.

“Backup Special Tax A” means the Special Tax amount set forth in Section C.1.b., below.

“Bonds” means any bonds or other debt (as defined in Section 53317 (d) of the Act), whether in one or more series, issued by the City for CFD No. 2014-1 under the Act.

“Building Permit” means the first legal document issued by the City giving official permission for new construction. For purposes of this definition, “Building Permit” may or may not include any subsequent building permits issued or changed after the first issuance, as determined by the CFD Administrator.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax A Requirement for Facilities and the Special Tax B Requirement for Services, and otherwise providing for the levy and collection of the Special Taxes.

“CFD No. 2014-1” means City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy / Standard Pacific).

“City” means the City of Tustin, California.

“Consumer Price Index” means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for “All Urban Consumers: in the Los Angeles – Anaheim – Riverside Area, measured as of the month of December in the calendar year which ends in the previous Fiscal Year.” In the *event* this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD

Administrator that is reasonably comparable to the Consumer Price Index for the City of Los Angeles.

“Council” means the City Council of the City, acting as the legislative body of CFD No. 2014-1.

“County” means the County of Orange, California.

“Developed Property” means for each Fiscal Year, all Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, that are included in a Final Subdivision that was recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied and for which a Building Permit for new construction has been issued on or prior to May 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Dwelling Unit” or “DU” means a residential unit that is used or intended to be used as a domicile by one or more persons, as determined by the CFD Administrator.

“Exempt Property” means all Assessor’s Parcels designated as being exempt from Special Tax A and Special Tax B as provided for in Section E.

“Final Subdivision” means a subdivision of property by recordation of a final subdivision map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which Building Permits may be issued without further subdivision.

“Fiscal Year” means the period commencing July 1 of any year and ending the following June 30.

“Indenture” means the indenture, Indenture, resolution or other instrument, pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

“Land Use Class” means any of the classes listed in Table 1 below.

“Maximum Special Tax” means the Maximum Special Tax A and/or Maximum Special Tax B, as applicable.

“Maximum Special Tax A” means the Maximum Special Tax A determined in accordance with Section C that can be levied in any Fiscal Year on any Assessor’s Parcel within CFD No. 2014-1.

“Maximum Special Tax B” means the Maximum Special Tax B determined in accordance with Section C that can be levied in any Fiscal Year on any Assessor’s Parcel within CFD No. 2014-1.

“Multi-family Residential Property” means all Parcels of Developed Property that consist of a building or buildings comprised of attached Dwelling Units available for rental by the general public, not for sale to an end user, and under common management, as determined by the CFD Administrator.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit permitting the construction of one or more non-residential units or facilities has been issued.

“Outstanding Bonds” means all Bonds which are outstanding under the provisions of an Indenture.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Special Tax A obligation for an Assessor’s Parcel, as described in Section H.

“Prepayment Amount” means the amount required to prepay the Special Tax A obligation in full for an Assessor’s Parcel, as described in Section H.

“Property Owner Association Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 2014-1 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

“Proportionately” means for Developed Property, that the ratio of the actual Special Tax A levy to the Assigned Special Tax A is equal for all Assessor’s Parcels of Developed Property and that the ratio of the actual Special Tax B levy to the Maximum Special Tax B is equal for all Assessor’s Parcels of Developed Property. For Approved Property, that the ratio of the actual Special Tax A levy to the Maximum Special Tax A is equal for all Assessor’s Parcels of Approved Property and that the ratio of the actual Special Tax B levy to the Maximum Special Tax B is equal for all Assessor’s Parcels of Approved Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax A levy per Acre to the Maximum Special Tax A per Acre is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property as listed in Section C below.

“Public Property” means property within the boundaries of CFD No. 2014-1 owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided 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 according to its use.

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

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit permitting the construction thereon of one or more residential dwelling units has been.

“Single Family Residential Property” means all Assessor’s Parcels of Residential Property for which building permits have been issued for residential units, other than Multi-family Property.

“Special Tax” means the Special Tax A and/or Special Tax B, as applicable.

“Special Tax A” means the special taxes to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2014-1 to fund the Special Tax A Requirement for Facilities.

“Special Tax B” means the special tax authorized to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2014-1 to fund the Special Tax B Requirement for Services.

“Special Tax A Requirement for Facilities” means the amount required in any Fiscal Year for CFD No. 2014-1 to: (i) pay the debt service on all Outstanding Bonds due in the Calendar Year commencing in such Fiscal Year, (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments with respect to the Bonds due in the calendar year commencing in such Fiscal Year; (iii) pay actual and estimated Administrative Expenses related to the levy and collection of Special Tax A, the administration of the Bonds and the obligations of the City and CFD No. 2014-1 under the Indenture; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds, to the extent not included in a computation of the Special Tax A Requirement for Facilities in a previous Fiscal Year; (v) pay for reasonable anticipated Special Tax A delinquencies for the current Fiscal Year based on the delinquency rate for the Special Tax A levy in the previous Fiscal Year; (vi) pay directly for acquisition or construction of Authorized Facilities; less (vii) a credit for funds available to reduce the annual Special Tax A levy, as determined by the CFD Administrator in accordance with any Indenture.

“Special Tax B Requirement for Services” means that amount required in any Fiscal Year for CFD No. 2014-1 to (i) pay directly for costs of the Authorized Services due in the calendar year commencing in such Fiscal Year; (ii) pay actual and estimated Administrative Expenses related to the levy and collection of the Special Tax B and the provision of the Authorized Services; less (iii) a credit for funds available to reduce the annual Special Tax B levy, as determined by the CFD Administrator.

“State” means the State of California.

“Taxable Property” means all Assessor’s Parcels within the boundaries of CFD No. 2014-1, which are not exempt from the Special Tax pursuant to law or Section E below.

“Taxable Property Owner Association Property” means, for each Fiscal Year, all Assessor’s Parcels of Property Owner Association Property that are not exempt from the Special Tax pursuant to Section E below.

“Taxable Public Property” means, for each Fiscal Year, all Assessor’s Parcels of Public Property that are not exempt from the Special Tax pursuant to Section E below.

“Trustee” means the trustee or Trustee under the Indenture.

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

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property shall be classified as Developed Property, Approved Property, Taxable Public Property, Taxable Property Owner Association Property, or Undeveloped Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C, D, and E below.

Parcels of Developed Property shall further be classified as Residential Property or Non- Residential Property. Parcels of Residential Property shall further be classified as Single Family Property or Multi-family Residential Property. Parcels of Single Family Property shall be further categorized into Land Use Classes based on the Residential Floor Area for each such Parcel.

C. MAXIMUM SPECIAL TAX

1. Developed Property

The Maximum Special Tax A for each Parcel of Single Family Residential Property shall be the greater of: (i) the applicable Assigned Special Tax described in Table 1 or (ii) the amount derived by application of the Backup Special Tax A.

The Maximum Special Tax B for each Parcel of Single Family Residential Property shall be the applicable Maximum Special Tax B described in Table 1.

The Maximum Special Tax A for each Parcel of Non-Residential Property, or Multi-family Residential Property shall be the Assigned Special Tax A described in Table 1.

The Maximum Special Tax B for each Parcel of Non-Residential Property or Multi-family Residential Property shall be the Maximum Special Tax B described in Table 1.

a. Assigned Special Tax

The Assigned Special Tax for each Parcel of Developed Property is shown in Table 1 below:

TABLE 1
Maximum Special Tax for Developed Property in
Community Facilities District No. 2014-1
(Tustin Legacy/Standard Pacific)
Fiscal Year 2014-2015

Land Use Class	Description	DU / Acre	Residential Floor Area	Assigned Special Tax A	Maximum Special Tax B
1	Single Family Residential Property	DU	> 3,530 s.f.	\$4,997	\$1,522
2	Single Family Residential Property	DU	3,210-3,529 s.f.	\$4,675	\$1,425
3	Single Family Residential Property	DU	2,890-3,209 s.f.	\$4,308	\$1,314
4	Single Family Residential Property	DU	2,570-2,889 s.f.	\$3,822	\$1,164
5	Single Family Residential Property	DU	2,250 -2,569 s.f.	\$3,346	\$1,020
6	Single Family Residential Property	DU	<=2,250 s.f.	\$2,819	\$860
7	Multi-family Residential Property	Acre	N/A	\$47,492	\$14,475
8	Non-Residential Property	Acre	N/A	\$47,492	\$14,475

b. Backup Special Tax A

When a Final Subdivision is recorded, the Backup Special Tax A for a Parcel classified or to be classified as Single Family Residential Property within such Final Subdivision shall be determined by multiplying the Undeveloped Property Maximum Special Tax A rate per acre, as defined in Section C3 below, by the total Acreage of Taxable Property within such Final Subdivision, excluding the Acreage associated with Multi-Family Residential Property, Non-Residential Property, Public Property and/or Property Owner's Association Property that is not Exempt Property pursuant to Section E. and dividing such amount by the number of Parcels within such Final Subdivision classified as either (i) Single Family Residential Property or (ii) Approved Property for which a Building Permit is expected to be issued for Single Family Residential Property (i.e., the number of residential lots).

Notwithstanding the forgoing, if Parcels classified or to be classified as Single Family Residential Property are subsequently changed or modified by recordation of a lot line adjustment or similar instrument, then the Backup Special Tax shall be recalculated for the

area that has been changed or modified using the methodology described in the preceding paragraph.

The Backup Special Tax A shall not apply to Multi-Family Residential Property, Non-Residential Property, Public Property, Property Owner's Association Property, or Undeveloped Property.

c. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2015, the Maximum Special Tax A, calculated pursuant to Section C.1 above shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year. On each July 1, commencing on July 1, 2015, the Maximum Special Tax B shall be increased by an amount equal to two percent (2%) of the amount in effect 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 Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes for all Land Use Classes located on that Assessor's Parcel.

2. Approved Property

a. Single Family Residential Property

The Fiscal Year 2014-2015 Maximum Special Tax A for each Parcel of Approved Property expected to be classified as Single Family Residential Property shall be the Backup Special Tax computed pursuant to Section C.1.b above.

The Fiscal Year 2014-2015 Maximum Special Tax B for each Parcel of Approved Property expected to be classified as Single Family Residential Property shall be \$14,475 per acre.

b. Multi-family Residential Property and Non-Residential Property

The Fiscal Year 2014-2015 Maximum Special Tax A for each Parcel of Approved Property expected to be classified as Multi-Family Residential Property and Non-Residential Property shall be \$47,492 per acre.

The Fiscal Year 2014-2015 Maximum Special Tax B for each Parcel of Approved Property expected to be classified as Multi-Family Residential Property and Non-Residential Property shall be \$14,475 per acre.

c. Increase in the Maximum Special Tax A and Maximum Special Tax B

On each July 1, commencing on July 1, 2015, the Maximum Special Tax A for Approved Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year. On each July 1, commencing on July 1, 2015, the Maximum Special Tax B for Approved Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

3. Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property

a. Maximum Special Tax A

The Fiscal Year 2014-2015 Maximum Special Tax A for Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property shall be \$47,492 per Acre.

b. Maximum Special Tax B

The Fiscal Year 2014-2015 Maximum Special Tax B for Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property shall be \$14,475 per Acre.

c. Increase in the Maximum Special Tax A and Maximum Special Tax B

On each July 1, commencing on July 1, 2015, the Maximum Special Tax A for Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property, shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year. On each July 1, commencing on July 1, 2015, the Maximum Special Tax B for Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property, shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

1. Special Tax A

Commencing Fiscal Year 2014-2015 and for each subsequent Fiscal Year, the Council or its designee shall determine the Special Tax A Requirement for Facilities and shall levy the Special Tax A until the total Special Tax A levy equals the Special Tax A Requirement for Facilities. The Special Tax A shall be levied each Fiscal Year as follows:

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

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

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

Fourth: If additional moneys are needed to satisfy the Special Tax A Requirement for Facilities after the first three steps have been completed, the Special Tax A to be levied on each Parcel of Developed Property for which the Maximum Special Tax A is derived by the application of the Backup Special Tax A shall be increased in equal percentages from the Assigned Special Tax A up to the Maximum Special Tax A for such Parcel;

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

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

2. Special Tax B

Commencing with Fiscal Year 2014-2015 and for each following Fiscal Year, the Council or its designee shall levy the Special Tax B until the total Special Tax B levy equals the Special Tax B Requirement for Services. The Special Tax B shall be levied each Fiscal Year as follows:

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

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

Third: If additional monies are needed to satisfy the Special Tax B Requirement for Services after the first two steps have been completed, the Special Tax B shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax B for Undeveloped Property.

E. EXEMPTIONS

1. Special Tax A

No Special Tax A shall be levied on up to 46.57 Acres of Public Property and/or, Property Owner Association Property in the chronological order in which property becomes Public Property and Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, its tax-exempt status will be revoked as determined by the CFD Administrator.

Property Owner Association Property or Public Property that is not exempt from the Special Tax A under this section shall be subject to the levy of the Special Tax A and shall be taxed Proportionately as part of the fifth and sixth steps in Section 0.1 as determined by the CFD Administrator.

2. Special Tax B

No Special Tax B shall be levied on Public Property or Property Owner Association Property.

F. APPEALS AND INTERPRETATIONS

Any landowner or resident who feels that the amount of the Special Tax levied on such landowner's or resident's Assessor's Parcel is in error may submit a written appeal to CFD No. 2014-1. The CFD Administrator shall review the appeal and if the CFD Administrator

concurs and the Special Tax is to be modified in favor of the Property owner or resident of the Assessor's Parcel, no cash refund shall be made for prior years' Special Tax levies, but an adjustment shall be made to the next Special Tax levy(ies).

The Council may interpret this Rate and Method of Apportionment of Special Tax for purposes of clarifying any ambiguity and make determinations relative to the amount of Administrative Expenses.

G. MANNER OF COLLECTION

Special Tax A and Special Tax B will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as the Council shall determine, including direct billing of the affected property owners.

H. PREPAYMENT OF SPECIAL TAX A

The following additional definitions apply to this Section H:

"Build-out" means, for CFD No. 2014-1, that all expected Building Permits for the Assessors Parcels in CFD No. 2014-1 have been issued.

"CFD Public Facilities" means either \$26,000,000 in 2014 dollars, which shall increase by the Construction Inflation Index on July 1, 2015, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the Authorized Facilities, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds) to be supported by the Special Tax A levy under this Rate and Method of Apportionment as described in Section 0.1 above.

"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 Improvement Fund, (ii) moneys currently on deposit in the Improvement Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance the cost of CFD Public Facilities.

"Improvement Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct Authorized Facilities.

"Previously Issued Bonds" means, for any Fiscal Year, all Outstanding Bonds that are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

1. Prepayment in Full

Only an Assessor's Parcel of Developed Property, or Taxable Property Owner Association Property, Taxable Public Property or Approved Property for which a building permit has been issued, may prepay Special Tax A. The obligation of the Assessor's Parcel to pay the Special Tax A may be permanently satisfied as described herein, provided that a

prepayment may be made with respect to a particular Assessor's Parcel only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax A obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge the owner prepaying Special Tax A a reasonable fee for providing this service. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of CFD No. 2014-1 Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture.

The Special Tax B may not be prepaid.

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

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

As of the proposed date of prepayment, the Special Tax A Prepayment Amount 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, Taxable Property Owner Association Property, or Taxable Public Property for which a Building Permit has been issued, compute the Maximum Special Tax A for the current Fiscal Year applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Approved Property for which a building permit has been issued, compute the Maximum Special Tax A for the current Fiscal Year applicable 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. Divide the Maximum Special Tax A computed pursuant to paragraph 2 by the total estimated Maximum Special Tax A for the entire CFD No. 2014-1 based on the Developed Property Special Tax A which could be levied in the current Fiscal Year on all expected development through Build-out of CFD No. 2014-1, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Previously Issued Bonds to compute the amount of Previously Issued 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 (e.g., the redemption price-100%), if any, on the Previously Issued Bonds to be redeemed (the "*Redemption Premium*").
6. Compute the current Future Facilities Costs.

7. Multiply the quotient computed pursuant to paragraph 3 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 Previously Issued Bonds.

9. Determine any Special Tax A levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.

10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Special Tax A Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses (defined below) from the date of prepayment until the redemption date for the Previously Issued 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. The administrative fees and expenses of CFD No. 2014-1 are as calculated by the CFD Administrator and include the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2014-1 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"Administrative Fees and Expenses"*).

13. If reserve funds for the Previously Issued Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Previously Issued Bonds to be redeemed pursuant to the prepayment (the *"Reserve Fund Credit"*). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement.

14. If any capitalized interest for the Previously Issued Bonds will not have been expended as of the date immediately following the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund or account under the Indenture after such first interest and/or principal payment (the *"Capitalized Interest Credit"*).

15. The Special Tax A 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 *"Special Tax A Prepayment Amount"*).

From the Special Tax for Facilities 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 Previously Issued Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Improvement Fund. The amount computed pursuant to paragraph 12 shall be retained by the CFD Administrator.

The Special Tax for Facilities Prepayment Amount may be insufficient to redeem a full \$5,000 increment of Previously Issued 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 Previously Issued Bonds or to make debt service payments.

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

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless, at the time of such proposed prepayment, the amount of Maximum Special Tax A that may be levied on Taxable Property within CFD No. 2014-1 (after excluding Public Property and Property Owner Association Property as set forth in Section E) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Previously Issued Bonds, plus the estimated annual Administration Expenses.

2. Prepayment in Part

The Special Tax A on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Taxable Property Owner Association Property, Taxable Public Property, or 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 1.1; 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 Special Tax A Prepayment Amount calculated according to Section 1.1

F = the percentage, expressed as a decimal, by which the owner of the Assessor's Parcel is partially prepaying the Special Tax A.

A = Administrative Fees and Expenses

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax A and the percentage by which the Special Tax A shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax A for an Assessor's Parcel within 30 days of the request and may charge a reasonable fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the Council shall (i) distribute the funds remitted to it according to Section 1.1, and (ii) indicate in the records of CFD No. 2014-1 that there has been a partial prepayment of the Special Tax A and that a portion of the Special Tax A with respect to such Assessor's Parcel, equal to the outstanding percentage $(1.00 - F)$ of the remaining Maximum Special Tax A, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless, at the time of such proposed prepayment, the amount of Maximum Special Tax A that may be levied on Taxable Property within CFD No. 2014-1 (after excluding Public Property and Property Owner Association Property as set forth in Section E) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Previously Issued Bonds, plus the cost of annual CFD administration.

I. TERM OF SPECIAL TAX

The Special Tax A shall be levied for a period not to exceed forty years commencing with Fiscal Year 2014-2015. The Special Tax B shall be levied as long as necessary to meet the Special Tax B Requirement for Services.

APPENDIX F

GENERAL INFORMATION REGARDING THE CITY OF TUSTIN

The following information concerning the City of Tustin and surrounding areas is included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the City, County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

General

The City of Tustin (the “City”) is located in central Orange County (the “County”). The City is located next to the county seat, Santa Ana. According to the United States Census Bureau, the City has a total area of 11.1 square miles (28.7 km²). The City was chosen in 2009 by Forbes as one of the top 25 towns to live well in America.

The County is the third-most populous county in California, the sixth-most populous in the United States, and it more populous than twenty-one U.S. states. Orange County is included in the Los Angeles-Long Beach-Anaheim, CA Metropolitan Statistical Area. Thirty-four incorporated cities are located in the county; the newest is Aliso Viejo, which was incorporated in 2001. Whereas most population centers in the United States tend to be identified by a major city, there is no defined urban center in Orange County. The County is mostly suburban except for some traditionally urban areas at the centers of the older cities of Anaheim, Fullerton, Huntington Beach, Orange, and Santa Ana.

Organization

The City was incorporated on September 21, 1927 as a general law city. The City operates under a Council/Manager form of government. The five City Council members, are elected at large. The policies of the City Council are carried out by the appointed City Manager.

Population

The table below summarizes population of the City and the County for the past five years.

CITY OF TUSTIN and ORANGE COUNTY
Population

Year	City of Tustin	Orange County
2011	75,771	3,028,846
2012	76,599	3,057,233
2013	78,129	3,087,715
2014	78,347	3,114,209
2015	79,601	3,147,655

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2011-2015, with 2010 Census Benchmark.

Employment

The following table summarizes the historical numbers of workers by industry in Orange County for the last five years:

**ORANGE COUNTY
SANTA ANA ANAHEIM IRVINE MD
Labor Force and Industry Employment
Annual Averages by Industry**

	2010	2011	2012	2013	2014 ⁽¹⁾
Total, All Industries	1,370,400	1,385,600	1,422,400	1,462,400	1,498,700
Total Farm	3,700	3,200	2,800	2,900	2,800
Mining and Logging	600	600	600	600	700
Construction	68,000	69,200	71,300	76,800	82,000
Manufacturing	150,500	154,300	158,300	158,000	158,800
Wholesale Trade	77,800	77,300	77,200	79,400	81,700
Retail Trade	141,300	142,600	144,000	145,500	148,700
Transportation, Warehousing & Utilities	26,700	27,500	28,000	27,500	26,600
Information	24,800	23,800	24,300	25,000	24,200
Financial Activities	103,500	104,800	108,300	113,100	114,100
Professional & Business Services	244,900	247,700	260,600	267,300	275,800
Educational & Health Services	165,500	168,000	173,800	184,200	190,300
Leisure & Hospitality	168,600	174,000	180,600	187,800	193,500
Other Services	42,200	43,200	44,600	45,600	47,700
Government	152,300	149,300	147,900	148,700	151,900

Source: California Employment Development Department, based on March 2014 benchmark.

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households, and persons involved in labor/management trade disputes. Employment reported by place of work. Items may not add to totals due to independent rounding.

(1) Last available full year data.

The following tables summarize historical employment and unemployment for Orange County, the State of California and the United States for the past five years:

**ORANGE COUNTY, CALIFORNIA, and UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)**

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate ⁽¹⁾
2010	Orange County	1,592,500	1,441,500	151,000	9.5%
	California	18,316,400	16,051,500	2,264,900	12.4
	United States	153,889,000	139,064,000	14,825,000	9.6
2011	Orange County	1,600,100	1,460,100	140,000	8.8%
	California	18,384,900	16,226,600	2,158,300	11.7
	United States	153,617,000	139,869,000	13,747,000	8.9
2012	Orange County	1,613,600	1,491,600	122,000	7.6%
	California	18,494,900	16,560,300	1,934,500	10.5
	United States	154,975,000	142,469,000	12,506,000	8.1
2013	Orange County	1,610,900	1,510,600	100,400	6.2%
	California	18,596,800	16,933,300	1,663,500	8.9
	United States	155,389,000	143,929,000	11,460,000	7.4
2014	Orange County	1,573,800	1,487,400	86,400	5.5%
	California	18,811,400	17,397,100	1,414,300	7.5
	United States	155,922,000	146,305,000	9,617,000	6.2

Sources: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Averages 2010-2014 and US Bureau of Labor Statistics.

Data not seasonally adjusted.

(1) Last available full year data.

Major Employers

The table below sets forth the principal employers of the City and the County.

CITY of TUSTIN 2014 Principal Employers

Employer	Employees	% of Total Employment
Tustin Unified School District	1,313	3.07%
Rockwell Collins Inc	600	1.40
Ricoh Electronics Inc	500	1.17
Costco	450	1.05
City of Tustin	360	.84
Newport Speciality Hospital	300	.70
Tustin Hospital Medical Center	300	.70
Toshiba America Medical Systems	300	.70
Micro Vention Inc.	300	.70
Balboa Water Group	253	.59
Totals	4,676	10.92

Source: City of Tustin 2014 Comprehensive Annual Financial Report.

ORANGE COUNTY 2014 Principal Employers

Employer	Employees	% of Total Employment
Walt Disney Co.	25,000	1.56%
UC Irvine	22,253	1.39
Orange County	18,035	1.12
St. Joseph Health System	12,062	.75
Boeing Co.	6,890	.43
Kaiser Permanente	6,040	.38
Bank of America	6,000	.37
Walmart	6,000	.37
Memorial Care Health System	5,635	.35
Target Corporation	5,400	.34
Totals	113,315	7.06

Source: Orange County 2014 Comprehensive Annual Financial Report.

Construction Activity

The following tables reflect the five-year history of building permit valuation for the City and the County:

CITY of TUSTIN Building Permits and Valuation (Dollars in Thousands)

	2010	2011	2012	2013	2014 ⁽¹⁾
<u>Permit Valuation:</u>					
New Single-family	2,835	20,613	19,200	-	919
New Multi-family	-	25,667	6,570	105,137	-
Res. Alterations/Additions	2,326	5,041	1,785	2,171	1,780
Total Residential	5,162	51,321	27,555	107,309	2,700
Total Nonresidential	15,395	14,606	25,301	141,259	21,188
Total All Building	20,558	65,927	52,857	248,569	23,889
<u>New Dwelling Units:</u>					
Single Family	16	94	70	-	3
Multiple Family	-	237	27	758	-
Total	16	331	97	758	3

Source: Construction Industry Research Board: "Building Permit Summary."

Note: Totals may not add due to independent rounding.

(1) Last available full year data.

ORANGE COUNTY Building Permits and Valuation (Dollars in Thousands)

	2010	2011	2012	2013	2014 ⁽¹⁾
<u>Permit Valuation:</u>					
New Single-family	492,529	518,681	752,931	1,237,994	1,234,498
New Multi-family	208,046	378,559	438,118	994,873	985,454
Res. Alterations/Additions	328,830	450,105	363,854	363,674	413,518
Total Residential	1,029,406	1,347,345	1,544,904	2,596,542	2,633,471
Total Nonresidential	1,515,928	1,188,198	1,271,034	4,208,209	2,000,167
Total All Building	2,181,334	2,535,543	2,825,938	6,804,752	4,633,639
<u>New Dwelling Units:</u>					
Single Family	1,553	1,908	2,438	3,889	3,646
Multiple Family	1,538	2,897	3,725	6,564	6,990
Total	3,091	4,805	6,163	10,453	10,636

Source: Construction Industry Research Board: "Building Permit Summary."

Note: Totals may not add due to independent rounding.

(1) Last available full year data.

Commercial Activity

Taxable sales in the City and County are shown below. Beginning in 2009, reports summarize taxable sales and permits using the NAICS codes. As a result of the coding change, however, industry-level data for 2009 are not comparable to that of prior years.

CITY OF TUSTIN Taxable Sales, 2009-2013 (Dollars in thousands)

	2009	2010	2011	2012	2013 ⁽¹⁾
Retail and Food Services					
Motor Vehicles and Parts Dealers	313,105	335,458	374,766	474,101	509,977
Furniture and Home Furnishings Stores	119,143	130,725	129,782	115,242	115,965
Bldg Mtrl. and Garden Equip. and Supplies	66,179	68,929	70,497	70,845	75,361
Food and Beverage Stores	71,396	74,366	79,920	87,379	86,907
Gasoline Stations	91,745	104,183	133,217	142,931	139,527
Clothing and Clothing Accessories Stores	95,627	96,688	100,836	107,726	114,935
General Merchandise Stores	234,341	261,861	279,384	#	#
Food Services and Drinking Places	165,565	161,402	173,260	179,279	187,321
Other Retail Group	142,719	145,245	165,632	455,543#	447,231#
Total Retail and Food Services	1,299,819	1,378,857	1,507,294	1,633,046	1,677,223
All Other Outlets	246,317	249,124	249,483	268,015	257,554
Totals All Outlets	1,546,136	1,627,981	1,756,777	1,901,061	1,934,777

Source: California Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Note: Totals may not add due to independent rounding.

(1) Last available full year data.

(#) Sales omitted because their publication would result in the disclosure of confidential information.

ORANGE COUNTY Taxable Sales, 2009-2013 (Dollars in thousands)

	2009	2010	2011	2012	2013 ⁽¹⁾
Retail and Food Services					
Motor Vehicles and Parts Dealers	4,902,480	5,244,266	5,777,582	6,551,466	7,147,516
Furniture and Home Furnishings Stores	850,889	869,868	909,455	964,018	1,050,308
Electronics and Appliance Stores	1,978,869	2,058,383	2,319,992	2,536,415	2,488,963
Bldg Mtrl. and Garden Equip. and Supplies	2,039,686	2,112,467	2,267,363	2,351,574	2,581,968
Food and Beverage Stores	1,894,642	1,911,192	1,990,893	2,056,803	2,111,209
Health and Personal Care Stores	784,067	824,719	894,003	948,220	983,067
Gasoline Stations	3,383,678	3,801,651	4,826,228	5,063,762	4,706,666
Clothing and Clothing Accessories Stores	2,742,626	2,923,680	3,164,857	3,510,757	3,764,088
Sporting Goods, Hobby, Book and Music Stores	1,074,579	1,075,996	1,101,159	1,133,702	1,176,097
General Merchandise Stores	4,376,154	4,527,201	4,771,143	5,026,911	5,169,057
Miscellaneous Store Retailers	1,625,880	1,611,739	1,656,162	1,738,855	1,766,848
Nonstore Retailers	484,692	481,563	459,841	635,707	893,254
Food Services and Drinking Places	5,024,379	5,109,383	5,449,177	5,853,267	6,186,883
Total Retail and Food Services	31,162,619	32,552,107	35,587,795	38,372,456	40,025,929
All Other Outlets	14,550,164	15,115,073	16,143,344	16,858,156	17,565,288
Totals All Outlets	45,712,784	47,667,179	51,731,139	55,230,612	57,591,217

Source: California Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Note: Totals may not add due to independent rounding.

(1) Last available full year data.

Median Household Income

The following table summarizes the median household effective buying income for the City, the County, the State of California and the nation for the past five years.

CITY OF TUSTIN, ORANGE COUNTY, STATE and UNITED STATES Effective Buying Income

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2010	City of Tustin	1,810,838	54,397
	Orange County	75,063,558	57,849
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of Tustin	1,786,448	52,614
	Orange County	76,315,505	57,607
	California	814,578,457	47,062
	United States	6,438,704,663	41,253
2012	City of Tustin	2,026,168	56,223
	Orange County	81,079,398	57,181
	California	864,088,827	47,307
	United States	6,737,867,730	41,358
2013	City of Tustin	2,012,100	57,740
	Orange County	81,151,078	59,589
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Tustin	2,074,525	59,744
	Orange County	83,607,615	60,931
	California	901,189,699	50,072
	United States	7,357,153,421	45,448

Source: The Nielsen Company (US), Inc.

APPENDIX G

THE BOOK ENTRY SYSTEM

The following description of the procedures and record-keeping of the Depository Trust Company ("DTC") with respect to beneficial ownership interests in the 2015 Bonds, payment of principal, interest and other payments on the 2015 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in such Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representatives can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended.

DTC holds securities and facilitates the clearance and settlement of securities transactions through electronic book-entry changes in accounts of its participants (the "Participants"), thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of which (and/or their representatives) own DTC. Access to the DTC system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly. Purchases of the 2015 Bonds may be made through brokers and dealers who are, or act through, Participants.

DTC or its nominee, and any successor securities depository, for all purposes under the Indenture, will be and will be considered to be the registered owner of the 2015 Bonds while the 2015 Bonds are in book-entry-only form.

As long as a book-entry system is used, the Beneficial Owners of the 2015 Bonds or of interests in the 2015 Bonds will not receive or have the right to receive physical delivery of the 2015 Bonds, and will not be or be considered to be registered owners under the Indenture.

The beneficial ownership of the 2015 Bonds, the transfer of ownership, and the payments to the Beneficial Owners is to be accomplished by records maintained by DTC, its Participants and certain persons acting through the Participants. DTC is responsible for maintaining records of the "positions" of Participants in the 2015 Bonds, and the Participants and persons acting through Participants are expected to maintain records of the purchasers of beneficial interests in those Bonds. Selling brokers and dealers are expected to send to their purchasers an initial transaction statement regarding and evidencing their purchase of beneficial interests in the 2015 Bonds and setting forth certain terms of the 2015 Bonds.

The Trustee, as long as a book-entry method is used for the 2015 Bonds and the 2015 Bonds are retained in the custody of DTC, will only be responsible for sending Bondowners notices under the Indenture to DTC. Conveyance of notices and other communications by DTC to Participants, by Participants to persons acting through Participants and by Participants and persons acting through Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time. Any failure of DTC to advise any Participant, or of any Participant or person acting through a Participant to notify the Beneficial Owner, of any such notice and its content or effect

will not affect the validity or sufficiency of the proceedings relating to the action premised on such notice.

The Trustee, the District and the Underwriter have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership of the 2015 Bonds.

Payments of principal of or interest on the 2015 Bonds will be made only to DTC or its nominee, Cede & Co., as the registered owner of the 2015 Bonds. Upon receipt of moneys, DTC's current practice is to immediately credit the accounts of the Participants in accordance with their respective holdings shown on the records of DTC. Payments by the Participants and persons acting through Participants to Beneficial Owners of the 2015 Bonds will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant or person acting through a Participant and not of DTC, the Trustee or the District, subject to any statutory and regulatory requirements as may be in effect from time to time.

The District cannot and does not give any assurances that DTC, Participants or others will distribute payments of debt service on 2015 Bonds paid to DTC or its nominee as the registered owner, or any notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service and act in the manner described in this Official Statement. The District understands that the current "Rules" applicable to DTC are on file with the Securities and Exchange Commission, and that the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC may determine to discontinue providing its service with respect to the 2015 Bonds at any time by giving reasonable notice to the District and discharging its responsibility with respect thereto under applicable law. In the event (i) DTC determines not to continue to act as securities depository for the 2015 Bonds, or (ii) the District determines that continuation of the book-entry system would adversely affect the interest of the Beneficial Owners, the District will discontinue the book-entry only system with DTC. If the District determines to replace DTC with another qualified securities depository, the District shall prepare or direct the preparation of one or more fully registered 2015 Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee.

If the District fails to identify another qualified securities depository to replace DTC, then the 2015 Bonds shall no longer be restricted to being registered in the 2015 Bond register in the name of Cede & Co., but shall be registered in whatever name or names DTC or Cede & Co. shall designate, in accordance with the Indenture, and a new 2015 Bond or 2015 Bonds, for the same outstanding principal amount, maturity and interest rate and in authorized denominations will be issued.

APPENDIX H

FORMS OF CONTINUING DISCLOSURE AGREEMENTS

CONTINUING DISCLOSURE AGREEMENT (for the District)

THIS CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), dated as of November 1, 2015, is by and between ALBERT A. WEBB ASSOCIATES, as dissemination agent (the "Dissemination Agent"), and the CITY OF TUSTIN COMMUNITY FACILITIES DISTRICT NO. 2014-1 (TUSTIN LEGACY/STANDARD PACIFIC), a community facilities district duly established and existing under the laws of the State of California (the "Community Facilities District").

RECITALS:

WHEREAS, the Community Facilities District has issued its City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific), Special Tax Bonds, Series 2015A (the "Bonds") in the initial principal amount of \$27,665,000; and

WHEREAS, the Bonds have been issued pursuant to an Indenture of Trust, dated as of November 1, 2015 (the "Indenture"), by and between The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") and the District; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Community Facilities District and the Dissemination Agent for the benefit of the owners and beneficial owners of the Bonds and in order to assist the underwriter of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5).

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and mutual covenants herein contained, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. In addition to the definitions of capitalized terms set forth in Section 1.01 of the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or in the Recitals above, the following capitalized terms shall have the following meanings when used in this Disclosure Agreement:

"Annual Report" means any Annual Report provided by the Community Facilities District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including persons holding any Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

"Disclosure Representative" means the Finance Director of the City of Tustin, or such Finance Director's designee, or such other officer or employee as the Community Facilities District shall designate as the Disclosure Representative hereunder in writing to the Dissemination Agent from time to time.

“Dissemination Agent” means Albert A. Webb Associates, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Community Facilities District and which has filed with the Community Facilities District a written acceptance of such designation.

“EMMA” or *“Electronic Municipal Market Access”* means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“Listed Events” means any of the events listed in Section 5(a) or 5(b) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the Official Statement, dated October 21, 2015, relating to the Bonds.

“Participating Underwriter” means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 2. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Community Facilities District and the Dissemination Agent for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The Community Facilities District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the Community Facilities District’s fiscal year (which currently ends on June 30), commencing with the report for the 2014-15 fiscal year, which is due not later than March 31, 2016, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that any audited financial statements of the Community Facilities District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* If the Community Facilities District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and subsequent Annual Report filings shall be made no later than six months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b) of this Section 3 for providing the Annual Report to EMMA), the Community Facilities District shall provide

the Annual Report to the Dissemination Agent (if other than the Community Facilities District). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the Community Facilities District.

(d) *Report of Non-Compliance.* If the Community Facilities District is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the Community Facilities District shall, in a timely manner, send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the Community Facilities District is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall, in a timely manner, send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the Community Facilities District, file a report with the Community Facilities District certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Agreement, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. It is acknowledged that the Closing Date for the Bonds occurred after the end of the 2014-15 fiscal year of the Community Facilities District. In light of the foregoing, submission of the Official Statement shall satisfy the Community Facilities District's obligation to file an Annual Report for fiscal year 2014-15.

The Annual Report for each fiscal year commencing with the Annual Report for the 2015-16 fiscal year, shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the Community Facilities District, if any, for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Community Facilities District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to that used for the Community Facilities District's audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available. If there are no financial statements prepared for the Community Facilities District for any fiscal year, no unaudited financial statements need be so included with the Annual Report for such fiscal year. The Community Facilities District does not currently prepare, nor does it expect to prepare, audited financial statements.

(b) *Other Annual Information.* To the extent not included in the audited financial statements of the Community Facilities District, if any, the Annual Report for each fiscal year commencing with the Annual Report for the 2015-16 fiscal year, shall also include the following information:

(i) The principal amount of Bonds Outstanding as of the September 30 next preceding the date of the Annual Report.

(ii) The balance in the Reserve Fund, and a statement of the Reserve Requirement, as of the September 30 next preceding the date of the Annual Report.

(iii) The balances in the City Facilities Account and the School Facilities Account of the Improvement Fund as of the September 30 next preceding the date of the Annual Report.

(iv) The total assessed value of all parcels within the Community Facilities District on which the Special Taxes are levied, as shown on the assessment roll of the Orange County Assessor last equalized prior to the September 30 next preceding the date of the Annual Report, and a statement of assessed value-to-lien ratios therefor, either by individual parcel or by categories (e.g. "below 3:1," "3:1 to 4:1" etc.), similar to the Table 3 of the Official Statement.

(v) The total number of parcels within the Community Facilities District on which the Special Taxes are levied and the total levy amount in the most recently completed fiscal year, as well as the number of parcels delinquent in the payment of Special Taxes and the dollar amount of such delinquencies as of approximately June 30th of such recently completed fiscal year. Additionally, for all prior fiscal years, including the most recently completed fiscal year, the number of parcels and total dollar amount of remaining Special Tax delinquencies as of approximately September 30 next preceding the date of the Annual Report.

(vi) The status of foreclosure proceedings for any parcels within the Community Facilities District on which the Special Taxes are levied and a summary or the results of any foreclosure sales, or other collection efforts with respect to delinquent Special Taxes, as of the September 30 next preceding the date of the Annual Report.

(vii) The identity of any property owner representing more than five percent (5%) of the annual Special Tax levy who is delinquent in payment of such Special Taxes, as shown on the assessment roll of the Orange County Assessor last equalized prior to the September 30 next preceding the date of the Annual Report.

(viii) A land ownership summary listing property owners responsible for more than five percent (5%) of the annual Special Tax levy, as shown on the assessment roll of the Orange County Assessor last equalized prior to the December next preceding the date of the Annual Report.

(ix) The most recent annual information required to be provided to the California Debt and Investment Advisory Commission pursuant to Section 6.12 of the Indenture.

(x) A breakdown of the levy of Special Taxes by Developed Property and Approved Property, as such terms are defined in the Rate and Method of Apportionment of Special Tax for the Community Facilities District.

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Community Facilities District or related public entities, which are available to the public on EMMA. The Community Facilities District shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the Community Facilities District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The Community Facilities District shall, or shall cause the Dissemination Agent (if not the Community Facilities District) to, give notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Defeasances.
- (6) Rating changes.
- (7) Tender offers.
- (8) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Non-payment related defaults.
- (2) Modifications to rights of security holders.
- (3) Bond calls.
- (4) The release, substitution, or sale of property securing repayment of the securities.

(5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* The Community Facilities District shall, or shall cause the Dissemination Agent (if not the Community Facilities District) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Indenture.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Community Facilities District's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Community Facilities District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent.* The Community Facilities District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Albert A. Webb Associates.

If the Dissemination Agent is not the Community Facilities District, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Community Facilities District pursuant to this Disclosure Agreement. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the Community Facilities District. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Agreement and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Community Facilities District shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the Community Facilities District.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid compensation by the Community Facilities District for its services provided hereunder as agreed to between the Dissemination Agent and the Community Facilities District from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Community Facilities District, the owners of the Bonds, the Beneficial Owners, or any other party. The Dissemination Agent may

rely, and shall be protected in acting or refraining from acting, upon any written direction from the Community Facilities District or a written opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the Community Facilities District. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

(c) *Responsibilities of Dissemination Agent.* In addition of the filing obligations of the Dissemination Agent set forth in Sections 3(e) and 5, the Dissemination Agent shall be obligated, and hereby agrees, to provide a request to the Community Facilities District to compile the information required for its Annual Report at least 30 days prior to the date such information is to be provided to the Dissemination Agent pursuant to subsection (c) of Section 3. The failure to provide or receive any such request shall not affect the obligations of the Community Facilities District under Section 3.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Community Facilities District may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Community Facilities District that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Agreement may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Agreement is amended or any provision of this Disclosure Agreement is waived, the Community Facilities District shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Community Facilities District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Community Facilities District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of

communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Community Facilities District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Community Facilities District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or future notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Community Facilities District to comply with any provision of this Disclosure Agreement, any Bond owner, any Beneficial Owner, the Trustee or the Participating Underwriter may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Community Facilities District to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the Community Facilities District to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Community Facilities District, the Trustee, the Dissemination Agent, the Participating Underwriter and the owners and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

CITY OF TUSTIN COMMUNITY
FACILITIES DISTRICT NO. 2014-1
(TUSTIN LEGACY/STANDARD PACIFIC)

By: _____

Its: _____

ALBERT A. WEBB ASSOCIATES, as
Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific)

Name of Bond Issue: \$27,665,000 City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific), Special Tax Bonds, Series 2015A

Date of Issuance: November 5, 2015

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Bonds as required by Section 6.09 of the Indenture of Trust, dated as of November 1, 2015, between the Obligor and The Bank of New York Mellon Trust Company, N.A., as trustee. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

Albert A. Webb Associates, as Dissemination Agent
on behalf of the City of Tustin Community
Facilities District No. 2014-1 (Tustin Legacy/
Standard Pacific)

CONTINUING DISCLOSURE AGREEMENT – DEVELOPER

THIS CONTINUING DISCLOSURE AGREEMENT – DEVELOPER (the “Disclosure Agreement”), dated as of November 1, 2015, is by and between CALATLANTIC GROUP, INC., a Delaware corporation (the “Developer”) and ALBERT A. WEBB ASSOCIATES, as dissemination agent (the “Dissemination Agent”).

RECITALS:

WHEREAS, pursuant to an Indenture of Trust, dated as of November 1, 2015 (the “Indenture”), by and between the City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific) (the “Community Facilities District”) and The Bank of New York Mellon Trust Company, N.A., as trustee, the Community Facilities District has issued its City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific), Special Tax Bonds, Series 2015A (the “Bonds”) in the initial principal amount of \$27,665,000; and

WHEREAS, the Bonds are payable from and secured by special taxes levied on real property within the Community Facilities District;

WHEREAS, the Developer is developing property within the Community Facilities District; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Developer and the Dissemination Agent for the benefit of the owners and beneficial owners of the Bonds.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the mutual premises and covenants herein contained, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. In addition to the definitions of capitalized terms set forth in Section 1.01 of the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or in the Recitals above, the following capitalized terms shall have the following meanings when used in this Disclosure Agreement:

“Affiliate” means any Person presently directly (or indirectly through one or more intermediaries) currently under managerial control of the Developer, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including without limitation information relevant to the proposed development of the Property or the Developer’s ability to pay the Special Taxes related to the Property prior to delinquency).

“Assumption Agreement” means an agreement between a Major Developer, or an Affiliate thereof, and the Dissemination Agent containing terms substantially similar to this Disclosure Agreement, whereby such Major Developer or Affiliate agrees to provide Semi-Annual Reports and notices of significant events with respect to the portion of the Property owned by such Major Developer or its Affiliates, and with respect to the improvements or payments necessary to cause the Planned Development Stage to be reached that such Major Developer, or an Affiliate thereof, intends or is obligated (contractually or otherwise) to make or cause to be made.

“Development Plan” means, with respect to a Major Developer, the specific improvements such Major Developer intends to make, or cause to be made, in order for the Planned Development Stage to be reached, the time frame in which such improvements are intended to be made and the estimated costs of such improvements; the Developer’s Development Plan, as of the date hereof, is described in the Official Statement under the caption “THE DEVELOPER AND THE DEVELOPMENT – Development Plan.”

“Disclosure Representative” means the officer or authorized representative of the Developer executing this Disclosure Agreement or such other person as the Developer shall designate in writing to the Community Facilities District and the Dissemination Agent from time to time.

“Dissemination Agent” means Albert A. Webb Associates, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Developer and which has filed with the Community Facilities District a written acceptance of such designation.

“EMMA” or “Electronic Municipal Market Access” means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“Event of Bankruptcy” means, with respect to a Person, that such Person files a petition or institutes a proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby such Person asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of such Person’s debts or obligations, or offers to such Person’s creditors to effect a composition or extension of time to pay such Person’s debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of such Person’s debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character is filed or instituted or taken against such Person and the same shall remain undismissed for a period of 60 days, or if a receiver of the business or of the property or assets of such Person is appointed by any court, or if such Person makes a general assignment for the benefit of such Person’s creditors.

“Financing Plan” means, with respect to a Major Developer, the method by which such Major Developer intends to finance its Development Plan, including specific sources of funding for such Development Plan; the Developer’s Financing Plan, as of the date hereof, is described in the Official Statement under the caption “THE DEVELOPER AND THE DEVELOPMENT – Developer’s Financing Plan.”

“First Report Date” means April 1 of each year, commencing April 1, 2016.

“Listed Events” means any of the events listed in Section 4(a) hereof.

“Major Developer” means, as of any date, any Property Owner, including the Developer, that owns Property that has not reached the Planned Development Stage that, together with Property that has not reached the Planned Development Stage owned by Affiliates of such Property Owner, is subject to 20% or more of the Special Tax levy for the then current Fiscal Year.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for

purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the Official Statement, dated October 21, 2015, relating to the Bonds.

“Participating Underwriter” means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Planned Development Stage” means, with respect to any portion of the Property, the stage of development to which the Developer intends to develop such property, as described in the Official Statement, which is the stage at which such portion of the Property is ready to be presented to the marketplace as a finished residential unit.

“Property” means the real property within the boundaries of the District that is not exempt from the levy of the Special Taxes.

“Property Owner” means any Person that owns a fee interest in any Property.

“Report Date” means, as applicable, the First Report Date or the Second Report Date.

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

“Second Report Date” means October 1 of each year, commencing October 1, 2016.

“Semi-Annual Report” means any Semi-Annual Report provided by the Developer pursuant to, and as described in, Sections 2 and 3 hereof.

Section 2. Provision of Semi-Annual Reports. (a) The Developer shall, or, upon furnishing the Semi-Annual Report to the Dissemination Agent, the Dissemination Agent shall, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, a Semi-Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Report Date, commencing April 1, 2016. The Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 3 hereof. If the Developer’s fiscal year changes, it shall instruct the Dissemination Agent to give notice of such change in the same manner as for a Listed Event under Section 4(c) hereof.

(b) Not later than 15 business days prior to the date specified in subsection (a) for filing the Semi-Annual Report with EMMA, the Developer shall provide the Semi-Annual Report (in a form suitable for reporting to the Repositories) to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Semi-Annual Report, the Dissemination Agent shall, in a timely manner, contact the Disclosure Representative to inquire if the Developer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that a Semi-Annual Report has been filed with EMMA by the date required in subsection (a), the Dissemination Agent shall, in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) file any Semi-Annual Report received by it with EMMA, as provided herein;
and

(ii) file a report with the Developer and the Community Facilities District certifying that the Semi-Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was filed with EMMA.

Section 3. Content of Semi-Annual Reports. The Developer's Semi-Annual Report shall contain or incorporate by reference the following:

(a) The following information with respect to each Major Developer:

(i) If information regarding such Major Developer has not previously been included in a Semi-Annual Report or in the Official Statement, the Development Plan of such Major Developer or, if information regarding such Major Developer has previously been included in a Semi-Annual Report or in the Official Statement, a description of the progress made in the Development Plan of such Major Developer since the date of such information and a description of any significant changes in such Development Plan and the causes or rationale for such changes.

(ii) If information regarding such Major Developer has not previously been included in a Semi-Annual Report or in the Official Statement, the Financing Plan of such Major Developer or, if information regarding such Major Developer has previously been included in a Semi-Annual Report or in the Official Statement, a description of any significant changes to the Financing Plan of such Major Developer and the causes or rationale for such changes.

(iii) A description of any sales of portions of such Major Developer's Property that has not reached the Planned Development Stage during the six-month period ending on the last day of the second month preceding the month in which the Report Date occurs (viz., the six-month period ending on January 31 for the First Report Date and the six-month period ending on July 31 for the Second Report Date), including the identification of each buyer and the number of acres or lots sold.

(iv) The number of single family residences on such Major Developer's Property conveyed to individual buyers by such Major Developer during the six-month period ending on the last day of the second month preceding the month in which the Report Date occurs.

(v) A description of how many lots of Property were owned by such Major Developer as of the last day of the second month preceding the month in which the Report Date occurs, and the number of such lots for which building permits have been issued.

(vi) An update of the status of any previously reported Listed Event described in Section 4 hereof.

(b) In addition to any of the information expressly required to be provided under paragraph (a) above, the Developer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Major Developers that are Affiliates of each other may file a single Semi-Annual Report covering all such entities. Any or all of the items listed above may be included by specific reference to other documents which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Developer shall clearly identify each such other document so included by reference.

Section 4. Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the Developer shall promptly give, or cause to be given notice of the occurrence of any of the following events with respect to each Major Developer (other than with respect to a Major Developer that has entered into an Assumption Agreement):

(i) Any conveyance by such Major Developer of Property owned by such Major Developer to an entity that is not an Affiliate of such Major Developer, the result of which conveyance is to cause the transferee to become a Major Developer.

(ii) Any failure of such Major Developer, or any Affiliate of such Major Developer, to pay prior to delinquency general property taxes, special taxes or assessments with respect to its Property.

(iii) Any denial or termination of credit, any denial or termination of, or default under, any line of credit or loan or any other loss of a source of funds that could reasonably be expected to have a material adverse affect on such Major Developer's most recently disclosed Financing Plan or Development Plan or on the ability of such Major Developer, or any Affiliate of such Major Developer that owns any Property, to pay its Special Taxes prior to delinquency.

(iv) The occurrence of an Event of Bankruptcy with respect to such Major Developer, or any Affiliate of such Major Developer, that could reasonably be expected to have a material adverse affect on such Major Developer's most recently disclosed Financing Plan or Development Plan or on the ability of such Major Developer, or any Affiliate of such Major Developer that owns any Property, to pay its Special Taxes prior to delinquency.

(v) Any significant amendments to land use entitlements for such Major Developer's Property that could reasonably be expected to have a material adverse affect on such Major Developer's most recently disclosed Financing Plan or Development Plan or on the ability of such Major Developer, or any Affiliate of such Major Developer that owns any Property, to pay its Special Taxes prior to delinquency.

(vi) Any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development on such Major Developer's Property, that, if not satisfied, could reasonably be expected to have a material adverse affect on such Major Developer's most recently disclosed Financing Plan or Development Plan or on the ability of such Major Developer, or any Affiliate of such Major Developer that owns any Property, to pay its Special Taxes prior to delinquency.

(vii) Any previously undisclosed legislative, administrative or judicial challenges to development on such Major Developer's Property, that, if successful, could reasonably be expected to have a material adverse affect on such Major Developer's most recently disclosed Financing Plan or Development Plan or on the ability of such Major Developer, or any Affiliate of such Major Developer that owns any Property, to pay its Special Taxes prior to delinquency.

(viii) Any changes in the alignment, design or likelihood of completion of significant public improvements affecting such Major Developer's Property, including major thoroughfares, sewers, water conveyance systems and similar facilities, that could reasonably be expected to have a material adverse affect on such Major Developer's most recently disclosed Financing Plan or Development Plan or on the ability of such Major Developer, or any Affiliate of such Major Developer that owns any Property, to pay its Special Taxes prior to delinquency.

(ix) The assumption of any obligations by a Major Developer pursuant to Section 5 hereof.

(b) Whenever the Developer obtains knowledge of the occurrence of a Listed Event, if there is no Dissemination Agent, the Developer shall promptly file a notice of such occurrence with the Community Facilities District and with EMMA. Whenever the Developer obtains knowledge of the occurrence of a Listed Event, if there is a Dissemination Agent, the Developer shall promptly notify the Dissemination Agent and the Community Facilities District in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (c). The Developer shall provide the Dissemination Agent with a form of notice of such event in a format suitable for reporting to EMMA.

(c) If the Dissemination Agent has been instructed by the Developer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA.

Section 5. Assumption of Obligations. If a portion of the Property owned by the Developer, or any Affiliate of the Developer, is conveyed to a Person that, upon such conveyance, will be a Major Developer, the obligations of the Developer hereunder with respect to the Property owned by such Major Developer and its Affiliates, and with respect to the improvements or payments necessary to cause the Planned Development Stage to be reached that such Major Developer, or an Affiliate thereof, intends or is obligated (contractually or otherwise) to make or cause to be made, may be assumed by such Major Developer or by an Affiliate thereof. In order to effect such assumption, such Major Developer or Affiliate shall enter into an Assumption Agreement.

Section 6. Termination of Reporting Obligation. The Developer's obligations under this Disclosure Agreement shall terminate upon the earliest to occur of (a) the date on which the Planned Development Stage has been reached for all of its Property, (b) the date on which (i) the Developer is no longer a Major Developer, and (ii) the Developer no longer has any obligations under this Disclosure Agreement with respect to any Major Developer as a result of such obligations having been assumed under one or more Assumption Agreements entered into pursuant to Section 5 hereof, or (c) the date on which all of the Bonds have been legally defeased, redeemed, or paid in full; upon such termination, the Developer shall have no obligation to provide any Semi-Annual Report or notice of occurrence of a Listed Event that it would otherwise have been obligated to provide after the date of such termination. The Developer's obligations under this Disclosure Agreement with respect to a Major Developer shall terminate upon the earliest to occur of (x) the date on which such Major Developer is no longer a Major Developer, as defined herein, or (y) the date on which the Developer's obligation with respect to such Major Developer are assumed under an Assumption Agreement entered into pursuant to Section 5 hereof; upon such termination, the Developer shall have no obligation to provide any Semi-Annual Report or notice of occurrence of a Listed Event with respect to such Major Developer that it would otherwise have been obligated to provide after the date of such termination, provided, however, that upon the occurrence of any of the events described in clauses (x) or (y), the Developer's obligations hereunder with respect to each other Major Developer, if any, shall remain in full force and effect. Upon the occurrence of any such

termination prior to the final maturity of the Bonds, the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 4 hereof.

Section 7. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge, without cause, any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the Developer and the Community Facilities District. The Dissemination Agent shall have no duty to prepare the Semi-Annual Report. The Developer shall be responsible for paying the fees and expenses of the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Developer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Developer, so long as such amendment does not adversely affect the rights or obligations of the Dissemination Agent), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to Sections 2(a), 3 or 4(a) hereof it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted; and

(b) the proposed amendment or waiver (i) is approved by owners of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of owners of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of owners of the Bonds.

If the financial information or operating data to be provided in the Semi-Annual Report is amended pursuant to the provisions hereof, the first financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

The Developer shall provide the Community Facilities District with written notice of any amendment to this Disclosure Agreement, including a copy of any such amendment.

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

Section 10. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 11. Default. In the event of a failure of the Developer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the written direction of any Participating Underwriter or the owners of at least 25% aggregate

principal amount of Outstanding Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee), or any owners or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Developer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance. Neither the Developer nor the Dissemination Agent shall have any liability to the owners of the Bonds or any other party for monetary damages relating to or arising from the default of the Developer or the Dissemination Agent under this Disclosure Agreement.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties hereunder as are specifically set forth in this Disclosure Agreement. The Developer agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it or they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding any loss, expense and liabilities due to the Dissemination Agent's and its officers', directors', employees' and agents' negligence or willful misconduct. The Dissemination Agent shall have no responsibility for the preparation, review, form or content of any Semi-Annual Report or any notice of a Listed Event. No provision of this Disclosure Agreement shall require or be construed to require the Dissemination Agent to interpret or provide an opinion concerning any information disclosed hereunder. The Dissemination Agent may conclusively rely on the determination of the Developer as to the materiality of any event for purposes of Section 4 hereof. The Dissemination Agent makes no representation as to the sufficiency of this Disclosure Agreement for purposes of the Rule. The Developer's obligations under this Section shall survive the termination of this Disclosure Agreement.

Section 13. Notices. Any notice or communications to be among any of the parties to this Disclosure Agreement may be given as follows:

To the Community Facilities District:	City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy / Standard Pacific) c/o City of Tustin 300 Centennial Way Tustin, CA 92680 Attention: Finance Director
To the Trustee:	The Bank of New York Mellon Trust Company, N.A. 400 South Hope Street, Suite 400 Los Angeles, CA 90071 Attention: Corporate Trust Services
To the Dissemination Agent:	Albert A. Webb Associates 3788 McCray Street Riverside, CA 92506-3927 Attention: Municipal Finance
To the Participating Underwriter:	Stifel, Nicolaus & Company, Incorporated One Montgomery Street, 35 th Floor San Francisco, CA 94104 Attention: Sara Brown

To the Developer:

CalAtlantic Homes, Southern California Coastal
15360 Barranca Parkway
Irvine, CA 92618
Attention: Division President

CalAtlantic Homes
15360 Barranca Parkway
Irvine, CA 92618
Attention: Vice-President-Treasury

Any Person may, by written notice to the other Persons listed above, designate a different address to which subsequent notices or communications should be sent.

Section 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Trustee, the Dissemination Agent, the Community Facilities District, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

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

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

CALATLANTIC GROUP, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

ALBERT A. WEBB ASSOCIATES, as
Dissemination Agent

By: _____

Authorized Officer

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE SEMI-ANNUAL REPORT**

Name of Issuer: City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific)

Name of Bond Issue: \$27,665,000 City of Tustin Community Facilities District No. 2014-1 (Tustin Legacy/Standard Pacific), Special Tax Bonds, Series 2015A

Date of Issuance: November 5, 2015

NOTICE IS HEREBY GIVEN that CalAtlantic Group, Inc. (the "Developer") has not provided a Semi-Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of November 1, 2015, by and between the Developer and Albert A. Webb Associates, as Dissemination Agent. [The Developer anticipates that the Semi-Annual Report will be filed by _____.]

Dated: _____

Albert A. Webb Associates, as
Dissemination Agent

cc: CalAtlantic Group, Inc.
City of Tustin Community
Facilities District No. 2014-1
(Tustin Legacy/Standard Pacific)

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