NEW ISSUE – BOOK-ENTRY ONLY **NO RATING**

In the opinion of Best Best & Krieger LLP, Riverside, California, Bond Counsel, subject to certain qualifications described in the Official Statement, under existing statutes, regulations, rules and court decisions, and assuming certain representations and compliance with certain covenants and requirements described in the Official Statement, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS — Tax Exemption" herein.

County of Riverside **State of California**

$8,315,000
COMMUNITY FACILITIES DISTRICT NO. 47
(EASTVALE AREA)
OF JURUPA COMMUNITY SERVICES DISTRICT
SPECIAL TAX BONDS, 2017 SERIES A

Dated: Date of Delivery **Due: September 1, as shown on the inside cover page**

The Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds, 2017 Series A (the "Bonds") are being issued and delivered to (i) finance certain public improvements needed with respect to the development within Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District (the "District") including certain parks, parks and recreation, water and sewer facilities to be owned and operated by the Jurupa Community Services District (the "Services District"), certain K-12 public school facilities to be owned and operated by the Corona-Norco Unified School District and certain facilities to be owned and operated by the City of Eastvale ("Eastvale" or the "City"), (ii) to fund a reserve fund securing the Bonds, and (iii) to pay costs of issuance of the Bonds. The District has been formed by the Services District and is located in Eastvale in the County of Riverside, California (the "County").

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California), and pursuant to a Fiscal Agent Agreement, dated as of March 1, 2017 (the "Fiscal Agent Agreement"), by and between the Services District and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"). The Bonds are special obligations of the District and are payable solely from revenues derived from certain annual Special Taxes (as defined in the Official Statement) to be levied on and collected from the owners of taxable property within the District and from certain other funds pledged under the Fiscal Agent Agreement, all as further described in the Official Statement. The Special Taxes are to be levied according to the rates and method of apportionment of special tax approved by the Board of Directors of the Services District and the qualified electors within the District. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes" and APPENDIX A — "RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX." The Board of Directors of the Services District is the legislative body of the District.

The Bonds are payable on a parity with any Parity Bonds (as defined in this Official Statement) issued by the District in the future. Parity Bonds may only be issued to refund the Bonds or any outstanding Parity Bonds. See "SOURCES OF PAYMENT FOR THE BONDS" and "THE BONDS — Issuance of Additional Bonds for Refunding Only."

The Bonds are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases may be made in integral multiples of $5,000 and will be in book-entry form only. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described in the Official Statement. Interest on the Bonds will be payable on September 1, 2017 and semiannually thereafter on each March 1 and September 1. Principal of and interest on the Bonds will be paid by the Fiscal Agent to DTC for subsequent disbursement to DTC Participants who are obligated to remit such payments to the beneficial owners of the Bonds. See "THE BONDS — General Provisions," "— Book-Entry Only System" and APPENDIX G — "INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM."

Neither the faith and credit nor the taxing power of the Services District, the School District, the County, Eastvale, the State of California or any political subdivision of such entities is pledged to the payment of the Bonds. Except for the Special Taxes levied in the District, no other taxes are pledged to the payment of the Bonds. The Bonds are special obligations of the District payable solely from Special Taxes levied within the District and certain other amounts held under the Fiscal Agent Agreement as more fully described in the Official Statement.

The Bonds are subject to optional redemption, mandatory redemption prior to maturity from special tax prepayments and mandatory sinking fund redemption as described in the Official Statement. See "THE BONDS — Redemption."

Investment in the Bonds involves risks that are not appropriate for certain investors. Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "RISK FACTORS" for a discussion of certain risk factors that should be considered, in addition to the other matters set forth in the Official Statement, in evaluating the investment quality of the Bonds.

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

MATURITY SCHEDULE
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by Stifel, Nicolaus & Company, Incorporated, the Underwriter, subject to approval as to their legality by Best Best & Krieger LLP, Riverside, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the Services District and the District by Best Best & Krieger LLP, Riverside, California, and for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as counsel to the Underwriter. It is anticipated that the Bonds in book-entry form will be available for delivery to DTC in New York, New York, on or about March 21, 2017.

STIFEL

Dated: March 7, 2017

MATURITY SCHEDULE

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP No.*†
2018	$155,000	2.000%	1.330%	100.955	4820974Y5
2019	155,000	3.000	1.690	103.123	4820974Z2
2020	160,000	4.000	2.020	106.555	4820975A6
2021	170,000	4.000	2.300	107.142	4820975B4
2022	175,000	4.000	2.620	106.958	4820975C2
2023	180,000	4.000	2.900	106.422	4820975D0
2024	190,000	4.000	3.200	105.260	4820975E8
2025	195,000	3.250	3.390	98.978	4820975F5
2026	205,000	3.250	3.530	97.766	4820975G3
2027	210,000	3.500	3.670	98.534	4820975H1
2028	215,000	3.500	3.810	97.144	4820975J7
2029	225,000	3.750	3.940	98.143	4820975K4
2030	235,000	4.000	4.020	99.791	4820975L2
2031	245,000	4.000	4.080	99.131	4820975M0
2032	250,000	4.000	4.180	97.964	4820975N8
2033	260,000	4.000	4.250	97.061	4820975P3
2034	270,000	4.125	4.360	97.147	4820975Q1
2035	285,000	4.250	4.390	98.240	4820975R9
2036	295,000	4.250	4.450	97.413	4820975S7
2037	310,000	4.250	4.480	96.938	4820975T5

$3,930,000 Term Bonds

$1,750,000 4.375% Term Bonds due September 1, 2042 Yield: 4.530% Price: 97.670 CUSIP No. † 4820975U2
$2,180,000 4.500% Term Bonds due September 1, 2047 Yield: 4.580% Price: 98.690 CUSIP No. † 4820975V0

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† *Copyright 2017, American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers' Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The District, the Services District and the Underwriter make no representations as to the accuracy of CUSIP data in this Official Statement.*

JURUPA COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Kenneth J. McLaughlin, President
Betty A. Anderson, Vice President
Jane F. Anderson, Director
Joan E. Roberts, Director
Richard "Dickie" Simmons, Director

DISTRICT STAFF

Todd Corbin, General Manager
Steve Popelar, Director of Finance & Administration
Cindy Mouser, Finance Manager

BOND COUNSEL AND GENERAL COUNSEL TO SERVICES DISTRICT

Best Best & Krieger LLP
Riverside, California

FINANCIAL ADVISOR

Fieldman, Rolapp & Associates
Irvine, California

DISTRICT ENGINEER AND SPECIAL TAX CONSULTANT

Albert A. Webb Associates
Riverside, California

FISCAL AGENT

U.S. Bank National Association
Los Angeles, California

APPRAISER

Kitty Siino & Associates, Inc.
Tustin, California

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

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

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

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 a 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 completeness of such information.

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

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

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

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

TABLE OF CONTENTS

INTRODUCTION 1
General 1
The District 1
Appraisal Report 2
Sources of Payment for the Bonds 3
Description of the Bonds 4
Redemption 5
Tax Matters 5
Professionals Involved in the Offering 5
Continuing Disclosure 5
Bondowners' Risks 6
Forward Looking Statements 6
Other Information 6
THE FINANCING PLAN 7
Estimated Sources and Uses of Funds 7
THE BONDS 7
General Provisions 7
Authority for Issuance 8
Redemption 8
Issuance of Additional Bonds for Refunding Only 11
Registration, Transfer and Exchange 11
Book-Entry Only System 11
Debt Service Schedule 12
SOURCES OF PAYMENT FOR THE BONDS 13
Limited Obligations 13
Special Taxes 13
Reserve Fund 18
THE DISTRICT 18
General Description of the District 18
Description of Authorized Facilities 19
Estimated Direct and Overlapping Indebtedness 19
Direct and Overlapping Assessments and Taxes 21
Expected Tax Burden 22
Appraisal Report 26
Estimated Appraised Value-to-Lien Ratio 27
Delinquency History 28
Top Taxpayers 28
THE DEVELOPMENT AND PROPERTY OWNERSHIP 29
General Description of the Development 29
D.R. Horton 30
Development Plan 30
Financing Plan 32
History of Property Tax Payments; Loan Defaults; Litigation 33
RISK FACTORS 34
Risks of Real Estate Secured Investments Generally 35
Limited Obligations 35
Insufficiency of Special Taxes 35
Special Tax Delinquencies 36
Concentration of Ownership 37
Natural Disasters 37
Methane Gas 37
Hazardous Substances 38
Parity Taxes and Special Assessments 38
Disclosures to Future Purchasers 39
Non-Cash Payments of Special Taxes 39
Payment of the Special Tax is not a Personal Obligation of the Owners 40
Land Values 40
FDIC/Federal Government Interests in Properties 40
Bankruptcy and Foreclosure 42
No Acceleration Provision 42
Loss of Tax Exemption 42
Limitations on Remedies 42
Limited Secondary Market 43
Proposition 218 43
Ballot Initiatives 44
CONTINUING DISCLOSURE 45
LEGAL MATTERS 45
Tax Exemption 45
Legal Opinion 46
Litigation 46
No Rating 46
Underwriting 47
Financial Interests 47
Pending Legislation 47
Additional Information 47

APPENDIX A - RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX A-1

APPENDIX B-1 - APPRAISAL REPORT B-1-1

APPENDIX B-2 - SUPPLEMENT TO APPRAISAL REPORT B-2-1

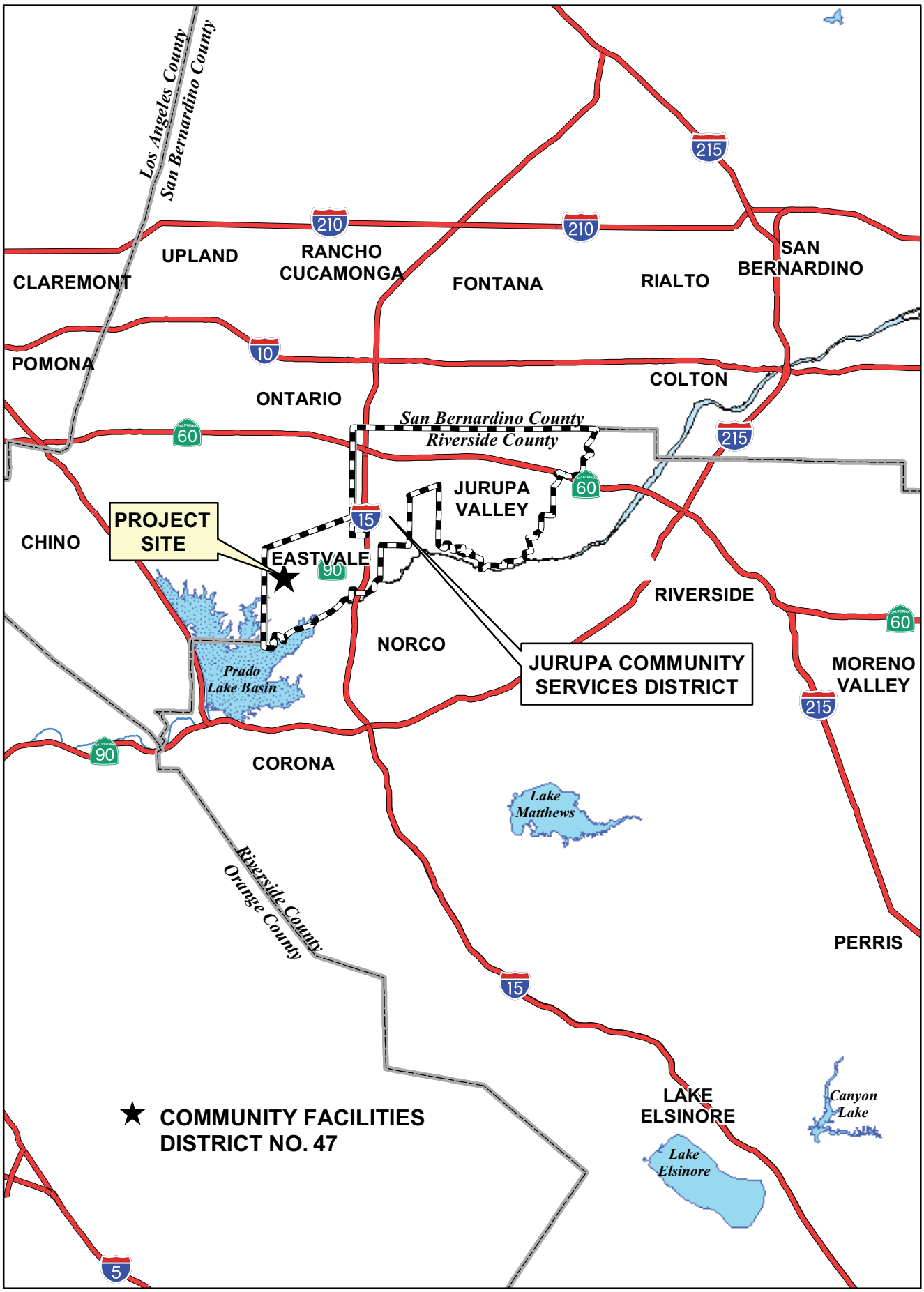
APPENDIX C - SUPPLEMENTAL INFORMATION CONCERNING JURUPA COMMUNITY SERVICES DISTRICT C-1

APPENDIX D - SUMMARY OF FISCAL AGENT AGREEMENT D-1

APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT OF DISTRICT E-1

APPENDIX F - FORM OF OPINION OF BOND COUNSEL F-1

APPENDIX G - INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM G-1


Los Angeles County
San Bernardino County
CLAREMONT
UPLAND
RANCHO CUCAMONGA
FONTANA
RIALTO
SAN BERNARDINO
POMONA
ONTARIO
COLTON
San Bernardino County
Riverside County
JURUPA VALLEY
PROJECT SITE
CHINO
EASTVALE
RIVERSIDE
NORCO
JURUPA COMMUNITY SERVICES DISTRICT
MORENO VALLEY
Prado Lake Basin
CORONA
Lake Matthews
Riverside County
Orange County
PERRIS
LAKE ELSINORE
Canyon Lake
Lake Elsinore
COMMUNITY FACILITIES DISTRICT NO. 47
210
215
10
60
15
90
5

Jurupa Community Services District
Community Facilities District No. 47
Copper Sky by DR Horton
Ontario Ranch
Limonite Avenue
Sumner Avenue
Scholar Way
Harada Heritage Park
Hamner Avenue
15
Schleisman Road
Riverboat Drive
Eastvale Elementary
River Heights Intermediate
Schleisman Road
N
Boundaries Approximate
Aerial Photo by Airviews 11/15/16

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$8,315,000
COMMUNITY FACILITIES DISTRICT NO. 47
(EASTVALE AREA)
OF JURUPA COMMUNITY SERVICES DISTRICT
SPECIAL TAX BONDS, 2017 SERIES A

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in APPENDIX D — "SUMMARY OF FISCAL AGENT AGREEMENT — DEFINITIONS" or APPENDIX A — "RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

General

The purpose of this Official Statement (the "Official Statement"), is to provide certain information concerning the issuance of the $8,315,000 Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds, 2017 Series A (the "Bonds"). The proceeds of the Bonds will be used to (i) finance various public improvements needed with respect to the development within Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District (the "District"), including certain parks, park and recreation, water and sewer facilities to be owned and operated by the Jurupa Community Services District (the "Services District"), certain K-12 public school facilities to be owned and operated by the Corona-Norco Unified School District (the "School District") and certain public facilities to be owned and operated by the City of Eastvale ("Eastvale" or the "City"), (ii) to fund a the Reserve Fund (as defined in the Official Statement) securing the Bonds, and (iii) to pay costs of issuance of the Bonds.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq*. of the Government Code of the State of California), and pursuant to a Fiscal Agent Agreement, dated as of March 1, 2017 (the "Fiscal Agent Agreement"), by and between the Services District and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"). The Bonds are secured under the Fiscal Agent Agreement by a pledge of and lien upon Special Tax Revenues (as defined in the Official Statement), all moneys in the Principal Account and Interest Account of the Bond Fund and all moneys deposited in the Reserve Fund as described in the Fiscal Agent Agreement.

The Bonds are payable on a parity with any Parity Bonds (as defined in this Official Statement) issued by the District in the future. Parity Bonds may only be issued to refund the Bonds or any outstanding Parity Bonds. See "SOURCES OF PAYMENT FOR THE BONDS" and "THE BONDS — Issuance of Additional Bonds for Refunding Only."

The District

The District contains approximately 39.99 gross acres located in the City in the County of Riverside (the "County"). Eastvale is located north of the City of Norco, south of the City of Ontario, and west of Interstate 15 in the County. The District is being developed by D.R. Horton Los Angeles Holding Company, Inc., a California corporation ("D.R. Horton" or the "Developer") into 224 detached residential units in three neighborhoods within a project called "Copper Sky." As of January 15, 2017, of the 224 detached residential units planned within the District, 191 units had been completed and conveyed to individual homeowners, 8 units (including 2 model homes) had been completed or substantially completed and were owned by D.R. Horton, 20 units were in various stages of construction and 5 units were in finished lot condition. Of the 33

lots owned by the Developer as of January 15, 2017, 16 substantially completed homes and 12 homes under construction were in escrow to individual homebuyers. However, homes under contract may not result in closed escrows as sales contracts are subject to cancellation. See "THE DEVELOPMENT AND PROPERTY OWNERSHIP."

The Bonds are secured only by Special Tax Revenues from the property within the District.

Formation Proceedings. The District has been formed by the Services District pursuant to the Act.

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

Pursuant to the Act, the Board of Directors adopted the necessary resolutions stating its intent to establish the District, to authorize the levy of Special Taxes on taxable property within the boundaries of the District, and to have the District incur bonded indebtedness to finance certain water, sewer, parks and park and recreation facilities (the "Services District Facilities") to be owned and operated by the Services District, and certain school district facilities to be owned and operated by the School District (the "School District Facilities") and certain facilities to be owned and operated by Eastvale (the "Eastvale Facilities," and, together with the Services District Facilities and the School District Facilities, the "Facilities").

Following public hearings conducted pursuant to the provisions of the Act, the Board of Directors adopted resolutions establishing the District and calling special elections to submit the levy of the Special Taxes and the incurring of bonded indebtedness to the qualified voters of the District. On May 27, 2014, at a special election held pursuant to the Act, the sole landowner, as the qualified elector within the District, authorized the District to incur bonded indebtedness in an aggregate principal amount not to exceed $10,000,000 and approved the rate and method of apportionment of Special Taxes for the District.

The Bonds are secured only by Special Tax Revenues from the property within the District. See "THE DISTRICT."

Increases in Special Taxes as the result of delinquencies are subject to certain limitations under the Act as well as maximum Special Tax rates applicable to properties in the District. Accordingly, if the Reserve Fund were fully depleted as a result of significant Special Tax delinquencies, there might not be sufficient Special Tax Revenues to replenish the Reserve Fund if and when delinquent Special Taxes were collected through foreclosure action or otherwise. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*" and "RISK FACTORS — Bankruptcy and Foreclosure" for a discussion of certain risks associated with bankruptcy of Special Tax payers and potential interference with the foreclosure remedy. Whether or not the Reserve Fund equals the Reserve Requirement at any time, significant delinquencies could cause the District to be unable to pay the full amount of annual debt service on the Bonds when and as due.

Appraisal Report

Kitty Siino & Associates, Inc. (the "Appraiser") has conducted an MAI Appraisal dated December 22, 2017 of the land within the District subject to the Special Tax (the "Appraisal Report") and has concluded, based upon the assumptions and limiting conditions contained in the Appraisal Report, that, as of November 15, 2016, the value of the land and improvements within the District was $88,862,485. The Appraiser has also provided the District with a Supplement to the Appraisal Report, dated January 10, 2017

(the "Supplement to Appraisal Report"), concluding that, as of January 3, 2017, the minimum market value of the taxable property within the District was not less than the value set forth in the Appraisal Report. This estimate of value results in an overall appraised value-to-lien ratio of approximately 10.69-to-1 based on the estimated amount of direct and overlapping debt allocated to parcels within the District (including the Bonds, all overlapping debt secured by a tax or assessment on the property within the District, but excluding all overlapping general obligation debt). See "THE DISTRICT — Estimated Appraised Value-to-Lien Ratio," "— Appraisal Report," APPENDIX B-1 — "APPRAISAL REPORT" and APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT."

Sources of Payment for the Bonds

Special Taxes. As used in this Official Statement, the term "Special Tax" is that tax which has been authorized to be levied against taxable property within the District pursuant to the Act and in accordance with the Rates and Method of Apportionment attached to this Official Statement as Appendix A (the "Rates and Method") to satisfy the Debt Service and Facilities Special Tax Requirement (as defined in the Rates and Method). "Special Tax Revenues" are defined to mean the proceeds of the Special Taxes received by the Services District, including any scheduled payments and prepayments, interest and penalties and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes in the amount of said lien and interest and penalties. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes" and APPENDIX A — "RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX." Under the Fiscal Agent Agreement, the District has pledged to repay the Bonds from the Special Tax Revenues and amounts on deposit in the Principal Account and Interest Account of the Bond Fund and the Reserve Fund established under the Fiscal Agent Agreement.

As used in this Official Statement, "Special Tax" means the special taxes levied to satisfy the Debt Service and Facilities Special Tax Requirement, as defined in the Rates and Method. Under the Rates and Method, the Services District may also levy a special tax to satisfy the O & M Special Tax Requirement (as such term is defined in the Rates and Method) (the "O & M Special Tax"). The O & M Special Tax may be levied solely to pay for certain operation and maintenance costs of Parks and Park Improvements and Landscape (as such terms are defined in Rates and Method). **The O & M Special Tax is not pledged under the Fiscal Agent Agreement and is not available to pay debt service on the Bonds.** See APPENDIX A — "RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

Reserve Fund. Pursuant to the Fiscal Agent Agreement, the Reserve Requirement for the Bonds following the issuance of the Bonds will be $498,825 which is equal to the least of (i) $498,825, which amount is equal to the Maximum Annual Debt Service on the Bonds, (ii) 10% of the original principal amount of the Bonds, or (iii) 125% of average Annual Debt Service on the Bonds, as determined by the Services District (the "Reserve Requirement"). See "SOURCES OF PAYMENT FOR THE BONDS — Reserve Fund." Subject to the maximum annual amounts of Special Taxes contained in the Rates and Method, if the amount in the Reserve Fund is less than the Reserve Requirement, the Services District has covenanted to restore the amount in the Reserve Fund to the Reserve Requirement by the inclusion of a sufficient amount in the next annual Special Tax levy within the District. The ability of the Board of Directors to increase the annual Special Taxes levied in the District to replenish the Reserve Fund is subject to the maximum annual amounts of Special Taxes authorized for the District.

Moreover, in addition to the limitation of the maximum Special Tax rates, under no circumstances will the Special Tax levied against any taxable parcel of residential property within the District be increased by more than 10% as a consequence of a delinquency or default by the owner of any other parcel within the District. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *10% Limitation on Increases in the Special Tax Levy as a Result of Delinquencies.*"

The moneys in the Reserve Fund will be used only for payment of the principal of, and interest and any redemption premium on, the Bonds and at the direction of the Services District, for deposit in the Rebate Fund. See "SOURCES OF PAYMENT FOR THE BONDS — Reserve Fund."

The Special Tax Revenues are the primary security for the repayment of the Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Fiscal Agent in the Principal Account and Interest Account of the Bond Fund and the Reserve Fund, to the limited extent described in the Fiscal Agent Agreement. See "SOURCES OF PAYMENT FOR THE BONDS — Reserve Fund."

Foreclosure Proceeds. The District has covenanted with and for the benefit of the Owners of the Bonds as follows: (i) it will order, and cause to be commenced, judicial foreclosure proceedings against properties with delinquent Special Taxes in excess of $5,000 by the October 1 following the close of the Fiscal Year in which such Special Taxes were due, and (ii) it will commence judicial foreclosure proceedings against all properties 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, and diligently pursue to completion such foreclosure proceedings; provided, however, the Services District shall not be required to order and cause judicial foreclosure proceedings to be commenced against delinquent properties as long as no deficiency in the Reserve Fund exists (or is projected to exist in order to make debt service payments on the Bonds in the current or next fiscal year) or the Services District determines that the cost of pursuing such foreclosure is greater than the outstanding delinquency. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*." There is no assurance that the property within the District can be sold for the appraised value described in this Official Statement, or for a price sufficient to pay the principal of and interest on the Bonds in the event of a default in payment of Special Taxes by the current or future landowners within the District. See "RISK FACTORS — Land Values" and APPENDIX B — "APPRAISAL REPORT."

EXCEPT FOR THE SPECIAL TAXES FROM THE DISTRICT, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE SERVICES DISTRICT, CITY, COUNTY, SCHOOL DISTRICT OR STATE OF CALIFORNIA NOR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM SPECIAL TAXES LEVIED IN THE DISTRICT AND AMOUNTS HELD UNDER THE FISCAL AGENT AGREEMENT AS MORE FULLY DESCRIBED IN THE OFFICIAL STATEMENT.

Description of the Bonds

The Bonds will be issued and delivered as fully registered Bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in integral multiples of $5,000, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described in the Official Statement is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Fiscal Agent Agreement. See APPENDIX G — "INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM."

Principal of, premium, if any, and interest on the Bonds is payable by the Fiscal Agent to DTC, as the registered Owner of the Bonds. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal and interest by the Fiscal Agent, all as described in the Official Statement. See "THE BONDS — Book-Entry Only System" and see

APPENDIX G — "INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM."

Redemption

The Bonds are subject to optional redemption, mandatory redemption from Special Tax Prepayments and mandatory sinking fund redemption as described in the Official Statement. For a more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see "THE BONDS" and APPENDIX D — "SUMMARY OF FISCAL AGENT AGREEMENT."

Tax Matters

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is exempt from personal income taxes of the State of California and, assuming compliance with certain covenants described in the Official Statement, is excluded from gross income for federal income tax purposes, and is not a specific preference item for purposes of the federal alternative minimum tax; however, it should be noted that, with respect to corporations, such interest may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations. Set forth in APPENDIX F is the form of opinion of Bond Counsel expected to be delivered in connection with the issuance of the Bonds. For a more complete discussion of such opinion and certain other tax consequences incident to the ownership of the Bonds, including certain exceptions to the tax treatment of interest, see "LEGAL MATTERS — Tax Exemption."

Professionals Involved in the Offering

U.S. Bank National Association will act as Fiscal Agent under the Fiscal Agent Agreement. Stifel, Nicolaus & Company, Incorporated, is the Underwriter of the Bonds. Certain proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Best Best & Krieger LLP, Riverside, California, Bond Counsel. Fieldman Rolapp & Associates is acting as Financial Advisor to the Services District in connection with the Bonds. Certain legal matters will be passed on for the Services District and the District by Best Best & Krieger LLP, General Counsel, and for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Underwriter's Counsel. Other professional services have been performed by Albert A. Webb Associates, Riverside, California, as District Engineer and Special Tax Consultant, and Kitty Siino & Associates, Inc., Tustin, California, as Appraiser.

For information concerning the respects in which certain of the above-mentioned professionals, advisors, counsel and agents may have a financial or other interest in the offering of the Bonds, see "LEGAL MATTERS — Financial Interests."

Continuing Disclosure

Pursuant to a Continuing Disclosure Agreement, by and between the Services District and Digital Assurance Certification, L.L.C. (the "District Dissemination Agent"), dated as of March 1, 2017 (the "District Continuing Disclosure Agreement"), the Services District has agreed to provide, or cause to be provided, on a semi-annual and annual basis, to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board (the "MSRB"), which can be found at www.emma.msrb.org ("EMMA"), certain financial information and operating data concerning the District. The Services District has further agreed to provide notice to EMMA of certain listed events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) ("Rule 15c2-12") adopted by the Securities and Exchange Commission (the "SEC"). The Services District has further agreed to provide notice to EMMA of certain listed events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12.

See "CONTINUING DISCLOSURE" and APPENDIX E for a description of the specific nature of the semi-annual reports, annual reports and notices of listed events to be provided by the Services District. Other than as described in this Official Statement under the heading "CONTINUING DISCLOSURE," the Services District has not failed to comply in all material respects with any filing requirements under Rule 15c2-12 under other bond continuing disclosure agreements in the last five years.

Bondowners' Risks

Certain events could affect the timely repayment of the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "RISK FACTORS" for a discussion of certain factors which should be considered, in addition to other matters set forth in the Official Statement, in evaluating an investment in the Bonds. The Bonds are not rated by any nationally recognized rating agency.

Forward Looking Statements

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

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

Other Information

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

Brief descriptions of the Bonds and the Fiscal Agent Agreement are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Fiscal Agent Agreement, the Bonds and the constitution and laws of the State as well as the proceedings of the Board of Directors, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Fiscal Agent Agreement.

Copies of the Fiscal Agent Agreement, the Continuing Disclosure Agreement and other documents and information referred to in the Official Statement are available for inspection and (upon request and payment to the Services District of a charge for copying, mailing and handling) for delivery from the Services District at 11201 Harrel Street, Jurupa Valley, California 91752, Attention: Secretary of the Board of Directors.

THE FINANCING PLAN

A portion of the Bond proceeds will be used by the District to acquire certain authorized Facilities to be owned and operated by the Services District, the School District and Eastvale. See "THE DISTRICT — Description of Authorized Facilities" in the Official Statement for a description of the Facilities authorized to be financed with the proceeds of the Bonds.

Estimated Sources and Uses of Funds

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

Sources of Funds	
Principal Amount of Bonds	$ 8,315,000.00
Less: Net Original Issue Discount	(71,817.00)
Total Sources	$ 8,243,183.00
Uses of Funds	
Improvement Fund	
School District Facilities Account	$ 2,907,773.00
Services District Facilities Account	4,176,241.79
Eastvale Facilities Account	318,812.00
Reserve Fund	498,825.00
Costs of Issuance Fund[1]	209,097.57
Underwriter's Discount	132,433.64
Total Uses	$ 8,243,183.00

(1) Costs of Issuance include legal fees, printing costs, Appraisal Report costs, Financial Advisor fees, Special Tax Consultant fees, and Fiscal Agent fees, in addition to other miscellaneous costs incidental to Bond issuance.

THE BONDS

General Provisions

The Bonds will be dated their date of delivery and will bear interest at the rates per annum set forth on the inside cover page, payable semiannually on each March 1 and September 1, commencing on September 1, 2017 (each, an "Interest Payment Date"), and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The Bonds will be issued in fully registered form in integral multiples of $5,000.

Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the 15th day of the month next preceding such Interest Payment Date regardless of whether or not such day is a Business Day (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the date of the Bonds; provided, however, that if at the time of authentication of a Bond, interest is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment or from the date of the Bonds, if no interest has previously been paid or made available for payment.

Interest on the Bonds is payable by check of the Fiscal Agent mailed by first class mail, postage prepaid, on each Interest Payment Date, until the principal amount of a Bond has been paid or made available

for payment, to the registered Owner at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America by check of the Fiscal Agent upon surrender of such Bonds at the Principal Office of the Fiscal Agent; provided, however, that at the written request of the Owner of at least $1,000,000 in aggregate principal amount of Outstanding Bonds filed with the Fiscal Agent prior to any Record Date, interest on such Bonds shall be paid to such Owner on each succeeding Interest Payment Date by wire transfer of immediately available funds to an account in the United States of America designated in such written request. All Bonds paid by the Fiscal Agent pursuant to this subsection shall be canceled by the Fiscal Agent.

Authority for Issuance

The Bonds are issued pursuant to the Act and the Fiscal Agent Agreement. As required by the Act, the Board of Directors has taken the following actions with respect to establishing the District and the Bonds:

Resolutions of Intention. On April 14, 2014, the Board of Directors of the Services District adopted a resolution stating its intention to establish the District and to authorize the levy of a special tax, and a resolution declaring its intention to have the District incur bonded indebtedness in an amount not to exceed $10,000,000. The District does not intend to issue future parity bonds other than for accomplishing the defeasance and redemption of all or a portion of the Bonds.

Resolutions of Formation. Following a noticed public hearing conducted on May 27, 2014, the Board of Directors of the Services District adopted on May 27, 2014, resolutions which established the District, authorized the levy of a special tax within the District, and declared the necessity for the District to incur bonded indebtedness in a maximum aggregate principal amount of $10,000,000.

Resolution Calling Election. The resolutions adopted by the Board of Directors of the Services District on May 27, 2014 also called for consolidated special elections by the landowners in the District on the issues of the levy of the Special Tax, the incurring of bonded indebtedness, and the establishment of an appropriations limit.

Landowner Election and Declaration of Results. On May 27, 2014, an election was held at which the Developer, as sole landowner within the District, approved a ballot proposition authorizing the issuance of up to $10,000,000 of bonds to finance the acquisition and construction of various public facilities, the levy of the Special Tax and the establishment of an appropriations limit for the District. On June 23, 2014, the Board of Directors adopted a resolution approving the canvass of the votes and declaring the District to be fully formed with the authority to levy the Special Taxes, to incur the bonded indebtedness, and to have the established appropriations limit.

Special Tax Lien and Levy. A Notice of Special Tax Lien for the District was recorded in the real property records of the County on June 25, 2014, as Document No. 2014-0233091, reflecting a lien against the property in the District.

Ordinance Levying Special Taxes. On July 27, 2015, the Board of Directors adopted Ordinance No. 399 levying Special Taxes within the District.

Resolution Authorizing Issuance of the Bonds. On February 13, 2017, the Board of Directors adopted Resolution No. 2718 approving issuance of the Bonds.

Redemption

Optional Redemption. The Bonds maturing on or prior to September 1, 2024 will not be subject to optional redemption. The Bonds maturing after September 1, 2024 are subject to redemption prior to their

stated maturity dates on any Interest Payment Date, as selected among maturities by the Services District (and by lot within any one maturity), in integral multiples of $5,000, at the option of the Services District from moneys derived by the Services District from any source, at redemption prices (expressed as percentages of the principal amounts of the Bonds to be redeemed), together with accrued interest to the date of redemption, as follows:

Redemption Dates	***Redemption Prices***
September 1, 2024 and March 1, 2025	103%
September 1, 2025 and March 1, 2026	102
September 1, 2026 and March 1, 2027	101
September 1, 2027 and any Interest Payment Date thereafter	100

Mandatory Redemption From Special Tax Prepayments. The Bonds are subject to mandatory redemption prior to their stated maturity dates on any Interest Payment Date on and after September 1, 2017, as selected among maturities by the Services District (and by lot within any one maturity), in integral multiples of $5,000, from moneys derived by the Services District from Special Tax Prepayments, at redemption prices (expressed as percentages of the principal amounts of the Bonds to be redeemed), together with accrued interest to the date of redemption, as follows:

Redemption Dates	***Redemption Prices***
Any Interest Payment Date commencing September 1, 2017 through March 1, 2025	103%
September 1, 2025 and March 1, 2026	102
September 1, 2026 and March 1, 2027	101
September 1, 2027 and any Interest Payment Date thereafter	100

Mandatory Sinking Fund Redemption. The outstanding Bonds maturing on September 1, 2042 and September 1, 2047 are subject to mandatory sinking fund redemption, in part, on September 1, 2038 and September 1, 2043, respectively, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, and from sinking payments as follows:

Bonds Maturing on September 1, 2042

Sinking Fund Redemption Date (September 1)	***Sinking Payments***
2038	$320,000
2039	335,000
2040	350,000
2041	365,000
2042 (maturity)	380,000

Bonds Maturing on September 1, 2047

Sinking Fund Redemption Date (September 1)	***Sinking Payments***
2043	$400,000
2044	415,000
2045	435,000
2046	455,000
2047 (maturity)	475,000

The amounts in the foregoing schedules shall be reduced by the Services District pro rata among redemption dates, in order to maintain substantially level Debt Service, as a result of any prior or partial optional or mandatory redemption of the Bonds.

Purchase of Bonds. In lieu of payment at maturity or redemption under the Fiscal Agent Agreement, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

Notice to Fiscal Agent. An Authorized Officer shall give the Fiscal Agent written notice of the Services District's intention to redeem Bonds not less than 45 days prior to the applicable redemption date. Such written notice shall specify whether Bonds are to be redeemed by optional redemption or mandatory redemption from special tax prepayments. The provisions of this subsection shall not apply to mandatory sinking fund redemption of the Bonds.

Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services selected by an Authorized Officer, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books maintained by the Fiscal Agent at its Principal Office; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds. The Fiscal Agent shall also cause notice of any redemption to be mailed, in such manner and within such time, to the Underwriter.

Such notice shall state the date of such notice, the date of issue of the Bonds, the place or places of redemption, the redemption date, the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed, by giving the individual CUSIP number and Bond number of each Bond to be redeemed, or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called for redemption in part the portion of the principal of the Bond to be redeemed, shall require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date. The cost of the mailing of any such redemption notice shall be paid by the District.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

If less than all the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than $5,000 to be redeemed shall be in integral multiples of $5,000, and, in selecting portions of such Bonds for redemption, the Fiscal Agent shall treat each such Bond as representing the number of Bonds of $5,000 denominations which is obtained by dividing the principal amount of such Bond to be redeemed in part by $5,000.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the Bonds of a maturity or any given portion thereof, the Fiscal Agent shall select the Bonds of such maturity to be redeemed, from all Bonds of such maturity or such given portion thereof not previously called for redemption, by lot within a maturity in any manner which the Fiscal Agent in its sole discretion shall deem appropriate.

Upon surrender of Bonds redeemed in part only, the Services District shall execute and the Fiscal Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

The District will have the right to rescind any notice of redemption for any optional or mandatory redemption pursuant to the Fiscal Agent Agreement on or prior to the date fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date so fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Fiscal Agent Agreement. The Services District and the Fiscal Agent will have no liability to the Bondowners or any other party related to or arising from such rescission of redemption. The Fiscal Agent will mail notice of such rescission of redemption in the same manner as the original notice of redemption.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption prices of the Bonds called for redemption shall have been deposited in the Bond Fund, such Bonds shall cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and interest shall cease to accrue on the Bonds to be redeemed on the redemption date specified in the notice of redemption.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to the Fiscal Agent Agreement shall be cancelled by the Fiscal Agent.

Issuance of Additional Bonds for Refunding Only

The Services District will not issue Parity Bonds for any purpose other than accomplishing the defeasance and redemption of all or a portion of the Bonds or Parity Bonds pursuant to the Fiscal Agent Agreement.

Registration, Transfer and Exchange

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

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

Book-Entry Only System

The Bonds will be issued in book-entry form, and The Depository Trust Company of New York, New York ("DTC") will act as securities depository. So long as the Bonds are held in book-entry form, principal of, premium, if any, and interest on the Bonds will be paid by the Fiscal Agent directly to DTC for distribution to the beneficial owners of the Bonds in accordance with procedures adopted by DTC. See APPENDIX G — "INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM."

Debt Service Schedule

The following table presents the annual debt service on the Bonds (including sinking fund redemptions), assuming there are no optional redemptions or mandatory redemptions from prepayment of Special Taxes pursuant to the Rates and Method. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes" and "THE BONDS — Redemption."

ANNUAL DEBT SERVICE SCHEDULE

Payment Year (September 1)	*Principal*	*Interest*	*Total Debt Service on the Bonds*
2017	$ --	$ 152,127.78	$ 152,127.78
2018	155,000	342,287.50	497,287.50
2019	155,000	339,187.50	494,187.50
2020	160,000	334,537.50	494,537.50
2021	170,000	328,137.50	498,137.50
2022	175,000	321,337.50	496,337.50
2023	180,000	314,337.50	494,337.50
2024	190,000	307,137.50	497,137.50
2025	195,000	299,537.50	494,537.50
2026	205,000	293,200.00	498,200.00
2027	210,000	286,537.50	496,537.50
2028	215,000	279,187.50	494,187.50
2029	225,000	271,662.50	496,662.50
2030	235,000	263,225.00	498,225.00
2031	245,000	253,825.00	498,825.00
2032	250,000	244,025.00	494,025.00
2033	260,000	234,025.00	494,025.00
2034	270,000	223,625.00	493,625.00
2035	285,000	212,487.50	497,487.50
2036	295,000	200,375.00	495,375.00
2037	310,000	187,837.50	497,837.50
2038	320,000	174,662.50	494,662.50
2039	335,000	160,662.50	495,662.50
2040	350,000	146,006.26	496,006.26
2041	365,000	130,693.76	495,693.76
2042	380,000	114,725.00	494,725.00
2043	400,000	98,100.00	498,100.00
2044	415,000	80,100.00	495,100.00
2045	435,000	61,425.00	496,425.00
2046	455,000	41,850.00	496,850.00
2047	475,000	21,375.00	496,375.00
Total	$ 8,315,000	$ 6,718,240.30	$ 15,033,240.30

Source: Underwriter.

SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

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

The Special Taxes are the primary security for the repayment of the Bonds. Under the Fiscal Agent Agreement, the District has pledged to repay the Bonds from the Special Tax Revenues (which are the proceeds of the Special Taxes received by the Services District from the District, including any scheduled payments, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes) and all moneys deposited in Principal and Interest Accounts of the Bond Fund and the Reserve Fund.

As used in this Official Statement, "Special Tax" means the special taxes levied to satisfy the Debt Service and Facilities Special Tax Requirement, as defined in the Rates and Method. Under the Rates and Method, the District may also levy a special tax to satisfy the O & M Special Tax Requirement (as defined in the Rates and Method) (the "O & M Special Tax"). The O & M Special Tax may be levied solely to pay for certain operation and maintenance costs of Parks, Park Improvements and Landscape (as such terms are defined in the Rates and Method). **The O & M Special Tax is not pledged under the Fiscal Agent Agreement and is not available to pay debt service on the Bonds.** See APPENDIX A — "RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX."

In the event that the Special Tax Revenues of the District are not received when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Fiscal Agent in the Special Tax Fund, the Principal and Interest Accounts of the Bond Fund, and the Reserve Fund for the exclusive benefit of the Owners of the Bonds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SERVICES DISTRICT, THE CITY OF EASTVALE, THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE SPECIAL TAXES OF THE DISTRICT ONLY, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE SERVICES DISTRICT BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE SPECIAL TAXES LEVIED IN THE DISTRICT AND OTHER AMOUNTS PLEDGED UNDER THE FISCAL AGENT AGREEMENT AS MORE FULLY DESCRIBED IN THE OFFICIAL STATEMENT.

Special Taxes

Authorization and Pledge. In accordance with the provisions of the Act, the Board of Directors established the District on May 27, 2014 for the purpose of financing the acquisition, construction and installation of various public improvements required in connection with the proposed development within the District. At a special election held on May 27, 2014, the owners of the property within the District authorized the District to incur bonded indebtedness in an amount not to exceed $10,000,000, and approved the rate and method of apportionment of special taxes for the District, which authorizes the Special Tax to be levied to repay District indebtedness, including the Bonds (the "District Bond Authorization"). On May 27, 2014, at a duly called special election following a public hearing held by the Board of Directors, the landowner within the District approved the Rates and Method of Apportionment of Special Taxes for the District. On July 27, 2015, the Board adopted Ordinance No. 399 which authorized the levy of Special Taxes in the District. The Notice of Special Tax Lien was recorded in the real property records of the County of Riverside on June 25, 2014, as Document No. 2014-0233091.

The District has covenanted in the Fiscal Agent Agreement that each year it will levy Special Taxes up to the maximum rates permitted under the Rates and Method in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay the principal of and interest on any Outstanding Bonds, to replenish the Reserve Fund and to pay the estimated Administrative Expenses.

The Special Taxes levied in any Fiscal Year may not exceed the maximum rates authorized pursuant to the Rates and Method. See APPENDIX A — "RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAXES." There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See "RISK FACTORS — Insufficiency of Special Taxes."

Rates and Method of Apportionment of Special Taxes. All capitalized terms used in this section shall have the meanings set forth in APPENDIX A.

Under the Rates and Method, commencing in Fiscal Year 2015-16, all Taxable Property in the District has been classified as Developed Property (Residential or Non-Residential) or Undeveloped Property and is subject to a Special Tax levy at the maximum rates described in Section C of the Rates and Method. For Fiscal Year 2017-18, based on the development status within the District as of January 15, 2017, 222 out of a total of 224 parcels will be classified as Developed Property.

For purposes of the levy of Special Taxes to satisfy the Maximum Annual Special Tax for Debt Service and Facilities, a parcel will be classified as Developed Property if it is Taxable Property for which a building permit for residential dwelling units or non-residential construction was issued prior to March 1 of the Fiscal Year preceding the Special Tax levy. For purposes of the levy of Special Taxes to satisfy the O & M Special Tax Requirement, a parcel will be classified as Developed Property, if, as of March 1 preceding the Fiscal Year for which the Special Tax is being levied, there has been recorded in the official records of the County a subdivision map, parcel map, condominium plan, lot line adjustment or any other similar map which subdivides (or creates) such parcels so that building permits can be issued for construction of one or more residential dwelling units or nonresidential buildings thereon.

There are 72 completed residential units conveyed to individual homeowners which are within "Zone A" under the Rates and Method. The remaining 152 parcels within the District are within "Zone B" under the Rates and Method.

The Maximum Special Tax for Debt Service and Facilities for Developed Property classified as Residential Property in Zone A of the District will be the greater of (a) the applicable amount set forth in Table 1 of the Rates and Method (ranging from $3,306 per parcel to $3,470 per parcel), or (b) $3,410 per parcel of Residential Property in Zone A of the District (the "Alternative Special Tax Rate"). For Non-Residential Property and Undeveloped Property in Zone A of the District, the Maximum Special Tax for Debt Service and Facilities is $42,043 per Net Acre. The Maximum Special Tax in Zone A of the District for O & M is (a) $771 per parcel of Developed Property or (b) $9,505 per Net Acre of Non-Residential Property and Undeveloped Property for Fiscal Year 2014-15.

The Maximum Special Tax for Debt Service and Facilities for Developed Property classified as Residential Property in Zone B of the District will be the greater of (a) the applicable amount set forth in Table 2 of the Rates and Method (ranging from $3,507 per parcel to $3,743 per parcel), or (b) $3,625 per parcel of Residential Property in Zone B of the District (the "Alternative Special Tax Rate"). For Non-Residential Property and Undeveloped Property in Zone B of the District, the Maximum Special Tax for Debt Service and Facilities is $38,189 per Net Acre. The Maximum Special Tax in Zone B of the District for O & M is (a) $771 per parcel of Developed Property or (b) $8,121 per Net Acre of Non-Residential Property and Undeveloped Property for Fiscal Year 2014-15.

Beginning on July 1, 2015 and on July 1 of each Fiscal Year thereafter, the Maximum Special Tax for O & M has escalated, and will escalate, by the greater of (i) 2% of the rate in effect for the previous year, or (ii) by the percentage increase in the Consumer Price Index (All Items) for Los Angeles-Riverside-Orange County (1982 – 84 = 100) since the beginning of the preceding Fiscal Year.

After classifying the parcels in the District, the Board of Directors will determine the Debt Service and Facilities Special Tax Requirement (as defined in the Rates and Method) for the Fiscal Year. "Debt Service and Facilities Special Tax Requirement" means that amount required in any Fiscal Year after taking into consideration available funds pursuant to the Fiscal Agent Agreement: (1) to pay principal of and interest on all outstanding bonds of the District, (2) to pay Administrative Expenses attributable to such bonds and the levy and collection of the Special Tax, (3) to pay costs of credit enhancement for such bonds and any amount required to be rebated to the United States with respect to such bonds, (4) to replenish the reserve fund for such bonds, and (5) to provide any amounts which the Board of Directors determines are necessary to pay the costs of the provision, construction and acquisition of Facilities and/or to accumulate funds therefor.

The Special Tax for Debt Service and Facilities will be levied first on all parcels of Developed Property up to 100% of the applicable rate set forth in Tables 1 and 2 of the Rates and Method. If additional monies are needed to satisfy the Debt Service and Facilities Special Tax Requirement after levying on all Developed Property at the Table 1 or Table 2 rate, the Special Tax will be levied next on all parcels of Undeveloped Property up to the applicable Maximum Special Tax for Debt Service and Facilities and finally on Developed Property classified as Residential Property up to 100% of the applicable Alternative Special Tax Rate.

O & M Special Taxes are levied solely to pay operative and maintenance costs of the facilities and are not available to pay debt service on the Bonds. "O & M Special Tax Requirement" means the amount, after taking into consideration available funds, required in any Fiscal Year to pay: (1) costs related to the ongoing Operation and Maintenance, (2) administrative expenses attributable to said ongoing Operation and Maintenance, as determined by the District and (3) the amount required to fund or replenish the Contingent Reserve, as determined by the District.

For the O & M Special Tax Requirement, the Special Taxes will be levied as follows: (1) First: The Special Tax shall be levied on all parcels of Developed Property in equal percentages up to 100% of the Maximum Special Tax for O & M set forth in Table 3 of the Rates and Method; and (2) Second: If additional funds are needed, the Special Tax shall be levied on all parcels of Undeveloped Property in equal percentages up to 100% of the Maximum Special Tax for O & M as set forth in Table 3. See APPENDIX A — "RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAXES."

Prepayment of Special Taxes. The Special Tax Obligation for Debt Service and Facilities may only be prepaid and permanently satisfied for a Parcel of Developed Property, a Parcel of Undeveloped Property for which a building permit has been issued, or a Parcel of Church Property, Park and Open Space Property, Property Owners' Association Property or Public School Property that is not Exempt Property. The Special Tax Obligation for Debt Service and Facilities for a Parcel may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described in the Rates and Method; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to the Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax Obligation for Debt Service and Facilities for the Parcel shall provide the Administrator with written notice of the owner's intent to prepay, and within 15 days of receipt of such notice, the Administrator shall notify such owner of the amount of a non-refundable deposit to cover the cost to be incurred by the Services District and the District in determining the Prepayment Amount for the Parcel. Within 30 days of receipt of such non-refundable deposit, the Administrator shall notify the owner of the Prepayment Amount for the Parcel. Prepayment must be made not later than 60 days prior to any redemption date for any bonds which will be redeemed with the Prepayment Amount.

Additionally, the Services District has covenanted in the Fiscal Agent Agreement that the Services District shall cause all applications of owners of property in the District to prepay and satisfy the Special Tax obligation for their property to be reviewed by the Special Tax Consultant and shall not accept any such prepayment unless such consultant certifies in writing that the total amount of the Maximum Special Tax for Debt Service and Facilities (as defined in the Rates and Method) that may be levied on Taxable Property both prior to and after the proposed prepayment is and will be at least 1.1 times the amount of Maximum Annual Debt Service on all Outstanding Bonds plus Administrative Expenses in the amount of $40,000. For purposes of such certification, Taxable Property means all parcels of property in the District that are not exempt from the levy of the Special Tax pursuant to the Act or the Rates and Method. Prepayments of Special Taxes aggregating in excess of $5,000 will result in a mandatory redemption of Bonds. See "THE BONDS — Redemption — *Mandatory Redemption from Special Tax Prepayments*."

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

Covenants to Protect Special Tax Rates. The Services District has made certain covenants in the Fiscal Agent Agreement for the purpose of ensuring that the current maximum Special Tax rates and method of collection of the Special Taxes are not altered in a manner that would impair the District's ability to collect sufficient Special Taxes to pay debt service on the Bonds and Administrative Expenses when due. First, the District has covenanted that, to the extent it is legally permitted to avoid doing so, it will not initiate and conduct proceedings to reduce the Maximum Special Tax rates (the "Maximum Rates") and, in the event an ordinance is adopted by initiative which purports to reduce or otherwise alter the Maximum Rates, the Services District will commence and pursue legal action seeking to preserve its ability to avoid reduction of Maximum Rates. See "RISK FACTORS — Proposition 218." Second, the Services District has covenanted not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the Services District having insufficient Special Tax Revenues to pay the principal of and interest on the Outstanding Bonds following such tender. See "RISK FACTORS — Non-Cash Payments of Special Taxes."

Although the Special Taxes constitute liens on taxable parcels within the District, they do not constitute a personal indebtedness of the owners of property within the District. Moreover, other liens for taxes and assessments already exist on the property located within the District and others could come into existence in the future in certain situations without the consent or knowledge of the Services District or the landowners in the District. See "RISK FACTORS — Parity Taxes and Special Assessments." There is no assurance that property owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if financially able to do so, all as more fully described in the section of this Official Statement entitled "RISK FACTORS."

Under the terms of the Fiscal Agent Agreement, all Special Tax Revenues received by the District are to be deposited in the Special Tax Fund. Special Tax Revenues deposited in the Special Tax Fund are to be applied by the Fiscal Agent under the Fiscal Agent Agreement in the following order of priority: (i) to deposit up to $40,000 to the Administrative Expense Fund to pay Administrative Expenses; (ii) to replenish the Reserve Fund to the Reserve Requirement; (iii) to transfer to the Bond Fund to pay the principal of and interest on the Bonds when due; and (iv) to deposit to the Administrative Expense Fund an additional amount in excess of the $40,000 necessary to pay Administrative Expenses. See APPENDIX D — "SUMMARY OF FISCAL AGENT AGREEMENT."

Proceeds of Foreclosure Sales. The net proceeds received following a judicial foreclosure sale of land within the District resulting from a landowner's failure to pay the Special Taxes when due are included within the Special Tax Revenues pledged to the payment of principal of and interest on the Bonds under the Fiscal Agent Agreement.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Tax levied, the Board of Directors, as the legislative body of the District, may order that Special Taxes be collected by a superior court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the Services District has covenanted for the benefit of the owners of the Bonds that it (i) that it will order, and cause to be commenced, judicial foreclosure proceedings against properties with delinquent Special Taxes in excess of $5,000 by the October 1 following the close of the fiscal year in which such Special Taxes were due, and (ii) that it will commence judicial foreclosure proceedings against all properties 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, and diligently pursue to completion such foreclosure proceedings; provided, however, the Services District shall not be required to order and cause judicial foreclosure proceedings to be commenced against delinquent properties as long as no deficiency in the Reserve Fund exists (or is projected to exist in order to make debt service payments on the Bonds in the current or next fiscal year) or the Services District determines that the cost of pursuing such foreclosure is greater than the outstanding delinquency. See APPENDIX D — "SUMMARY OF FISCAL AGENT AGREEMENT — OTHER COVENANTS OF THE SERVICES DISTRICT."

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

Services District's Collection Practices. The staff of the Services District provides administrative and other support services for the community facilities districts that have been formed by the Services District. These services include, but are not limited to, attempting to collect delinquent special taxes prior to the commencement of foreclosure proceedings by sending demand letters to property owners whose special taxes are delinquent advising them of the consequences of failing to pay the applicable special taxes. The District generally sends out letters to delinquent property owners within its community facilities districts for which bonds have been issued in June or July each fiscal year. The Services District expects but is not required to continue its practice of issuing demand letters to delinquent property owners in future fiscal years given that delinquent special taxes have generally been paid in response to such demand letters. The Services District has not commenced foreclosure proceedings against any delinquent property owners within the District. However, the District has covenanted in the Fiscal Agent Agreement to commence foreclosure proceedings under certain circumstances described in the Official Statement. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*."

No Teeter Plan. Although the Riverside County Board of Supervisors has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") which allows each entity levying secured property taxes in the County to draw on the amount of property taxes levied rather than the amount actually collected, as provided for in Section 4701 *et seq*. of the California Revenue and Taxation Code, the District is not included in the County Teeter Plan. Consequently, the District may not draw

on the County Tax Loss Reserve Fund in the event of delinquencies in Special Tax payments within the District.

10% Limitation on Increases in the Special Tax Levy as a Result of Delinquencies. Section 53321 of the Act states that under no circumstances will the Special Tax levied in any fiscal year against any parcel used for private residential purposes (parcels are considered "used for private residential purposes" on the date that an occupancy permit for private residential use is issued) be increased as a consequence of delinquency or default by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. Therefore, even though the maximum Special Tax rates may allow for Special Tax increases greater than 10%, in the event of high delinquencies in the District, the District could not increase the Special Taxes in the fiscal year following such delinquencies by more than 10% on the completed residential units for which certificates of occupancy have been issued. See "RISK FACTORS — Special Tax Delinquencies."

Reserve Fund

In order to secure further the payment of principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the Reserve Fund and thereafter to maintain in the Reserve Fund an amount equal to the Reserve Requirement for the Bonds. The Fiscal Agent Agreement provides that the amount in the Reserve Fund shall, as of any date in any Bond Year, equal to the least of (i) $498,825, which amount is equal to the Maximum Annual Debt Service on the Bonds , (ii) 10% of the stated principal amount of the Bonds, (iii) Maximum Annual Debt Service on the Bonds or (iv) 125% of average Annual Debt Service on the Bonds, as determined by the Services District.

Subject to the limits on the maximum annual Special Tax which may be levied within the District, as described in APPENDIX A, the Services District has covenanted to levy Special Taxes in an amount that is anticipated to be sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the Reserve Fund at the Reserve Requirement; provided, if a shortfall occurs in the Reserve Fund as a consequence of Special Tax delinquencies, the Services District may only increase Special Taxes within the District to replenish the Reserve Fund in the amount of such delinquencies. However, notwithstanding the above, under no circumstances will the Special Tax levied against any taxable parcel of residential property within the District be increased by more than 10% as a consequence of a delinquency or default by the owner of any other parcel within the District.

The moneys in the Reserve Fund will be used for payment of the principal of, and interest and any redemption premium on, the Bonds, and, at the direction of the Services District, for deposit in the Rebate Fund. Amounts in the Reserve Fund are to be applied to (i) pay debt service on the Bonds, to the extent other monies are not available therefor; (ii) redeem the Bonds in whole or in part, including without limitation, from Special Tax Prepayments; and (iii) pay the principal and interest due in the final year of maturity of the Bonds. In the event of a prepayment of Special Taxes, under certain circumstances, a portion of the Reserve Fund will be added as a credit to the amount being prepaid and be applied to redeem Bonds. As described in the Fiscal Agent Agreement, the Reserve Fund credit will be equal to the expected reduction in the Reserve Requirement; provided, however, there will be no Reserve Fund credit if the amount the Reserve Fund is less than the Reserve Requirement. See APPENDIX D — "SUMMARY OF FISCAL AGENT AGREEMENT — SPECIAL TAX REVENUES; BOND FUND; RESERVE FUND — Reserve Fund."

THE DISTRICT

General Description of the District

The District contains approximately 39.99 gross acres located in the City of Eastvale in the County of Riverside. The City of Eastvale is located north of the City of Norco, south of the City of Ontario, and west of

Interstate 15 in the County. The Bonds are secured only by Special Tax Revenues from the property within the District.

Description of Authorized Facilities

The Services District Facilities authorized to be financed from Bond proceeds consist of certain parks and park and recreation facilities, master plan water system facilities, including capacity in existing facilities, and master plan sewer system facilities, including capacity in existing facilities and sewage treatment and disposal capacity. The School District Facilities authorized to be financed from Bond proceeds include K-12 public school facilities to be owned and operated by the School District pursuant to the Joint Community Facilities Agreement dated December 10, 2013 by and between the School District and the Services District (the "School District JCFA"). The City Facilities authorized to be financed from Bond proceeds include public transportation facilities, fire protection facilities and City General government facilities to be owned and operated by Eastvale pursuant to the Joint Community Facilities Agreement, by and between the School District and Eastvale (the "Eastvale JCFA").

As of November 15, 2016, the Facilities expected to be financed in part with the proceeds of the Bonds and collected Special Taxes are complete. Moreover, the Developer has represented that all necessary governmental approvals for the Facilities expected to be acquired with the proceeds of the Bonds (except certain final plan checks and inspections) have been obtained.

Estimated Direct and Overlapping Indebtedness

Within the District's boundaries are numerous overlapping local agencies providing public services. The District is currently the sole local agency with outstanding bonds which are secured by special taxes or assessments on the parcels within the District. The approximate amount of the direct and overlapping debt on the parcels within the District for Fiscal Year 2016-17 is shown in Table 1 below (the "Debt Report"). The value-to-lien ratio within the District is summarized in Table 4.

TABLE 1
DIRECT AND OVERLAPPING DEBT
AS OF NOVEMBER 15, 2016

I. Appraised Value $ 88,862,485

II. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels in CFD No. 47[2]	Amount Applicable
JURUPA COMMUNITY SERVICES DISTRICT CFD NO. 47	CFD	$ 8,315,000	$ 8,315,000	100.000%	224	$ 8,315,000
TOTAL LAND SECURED BONDED DEBT[1]						**$ 8,315,000**

Authorized but Unissued Direct and Overlapping Indebtedness	Type	Authorized	Unissued	% Applicable	Parcels in CFD No. 47[2]	Amount Applicable
JURUPA COMMUNITY SERVICES DISTRICT CFD NO. 47	CFD	$ 10,000,000	$ -[3]	100.000%	224	$ 0
TOTAL UNISSUED LAND SECURED INDEBTEDNESS[1]						**$ 0**

TOTAL OUTSTANDING AND UNISSUED LAND SECURED INDEBTEDNESS[1] **$ 8,315,000**

III. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels in CFD No. 47[2]	Amount Applicable
METROPOLITAN WATER DEBT SERVICE	GO	$ 850,000,000	$ 92,865,000	0.003440%	224	$ 3,195
RIVERSIDE COMMUNITY COLLEGE DISTRICT DEBT SERVICE	GO	310,003,424	262,164,715	0.095228	224	249,654
CORONA-NORCO UNIFIED SCHOOL DISTRICT DEBT SERVICE	GO	414,990,034	329,303,603	0.273140	224	899,460
TOTAL GENERAL OBLIGATION BONDED DEBT[1]						**$ 1,152,309**

Authorized but Unissued Direct and Overlapping Indebtedness	Type	Authorized	Unissued	% Applicable	Parcels in CFD No. 47[2]	Amount Applicable
METROPOLITAN WATER DEBT SERVICE	GO	$ 850,000,000	$ 0	0.003440%	224	$ 0
RIVERSIDE COMMUNITY COLLEGE DISTRICT DEBT SERVICE	GO	350,000,000	39,996,576	0.095228	224	38,088
CORONA-NORCO UNIFIED SCHOOL DISTRICT DEBT SERVICE	GO	711,000,000	296,009,966	0.273140	224	808,522
TOTAL UNISSUED GENERAL OBLIGATION INDEBTEDNESS[1]						**$ 846,610**

TOTAL OUTSTANDING AND UNISSUED GENERAL OBLIGATION INDEBTEDNESS[1] **$ 1,998,919**

TOTAL OF ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT[1]	**$ 9,467,309**
TOTAL OF ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING INDEBTEDNESS[1]	**$ 10,313,919**

IV. Ratios to Appraised Value

Outstanding Land Secured Bonded Debt	10.69:1
Total Outstanding Bonded Debt	9.39:1

(1) As of the date above, Albert A. Webb Associates is not aware of any additional bonded debt for parcels in the District for the referenced Fiscal Year 2016-17.

(2) As of Fiscal Year 2016-17, all parcels had not yet subdivided.

(3) The District has covenanted not to issue additional bonds secured on a parity with the Bonds except to refund all or a portion of the Bonds. See "THE BONDS — Issuance of Additional Bonds for Refunding Only."

Source: Albert A. Webb Associates.

Direct and Overlapping Assessments and Taxes

The following direct and overlapping assessments and taxes are applicable to all properties within the District.

Overlapping Assessments.

Metropolitan Water District Standby West. An assessment is levied by the Metropolitan Water District at a rate of $9.22 per acre, or $9.22 per parcel if less than an acre to fund projects such as the Eastside Reservoir.

Flood Control NPDES (National Pollutant Discharge Elimination System) – Santa Ana River. An assessment is levied by the Riverside County Flood Control and Water Conservation District at a rate of $22.50 per acre or $3.75 per single-family residence. The assessment pays for the costs associated with the development, implementation, and management of storm water management activities required by the federally mandated NPDES Permit program.

N.W. Mosquito and Vector Control. An assessment is levied by the North West Vector Control and Mosquito Abatement District at a rate of $1.47 per single-family residence. Such assessment was assessed for Fiscal Year 2006-07. The assessment has been suspended from Fiscal Year 2007-08 through Fiscal Year 2016-17.

Jurupa Community Services District Lighting Maintenance District No. 2001-3. The assessment pays for the energy costs of streetlights within the District. There are currently 64 zones within the lighting maintenance district each with a different rate of assessment. The parcels in the District are in Zone LLL for which the assessment for Fiscal Year 2016-17 was $1.00 per single-family residence. Future annual assessments will be increased so that the total amount of the assessments on all such lots and parcels will not be less than the District's costs, including the cost of electric power, for the operation and maintenance of streetlights in each such fiscal year.

City of Eastvale Landscape and Lighting Maintenance District No. 89-1-Consolidated, Zone 115. The assessment pays for the maintenance and servicing of the District improvements, which are described as the maintenance and servicing of fossil filters and traffic signals, and the provision of electricity for traffic signals within public rights-of-way. The parcels in the District are in Zone 115 for which the assessment for Fiscal Year 2016-17 was $14.30 per single-family residence. The Maximum Allowable Annual Benefit Assessment Rate per Benefit Unit shall be adjusted annually by the greater of two percent (2%) or the cumulative percentage increase in the CPI-U, if any, as it stands as of March of each year over the base index for March 2008.

Special Taxes.

The District. The Special Taxes will be levied to pay debt service on the Bonds and administrative expenses of the District, and O&M Special Taxes will be levied to pay for the operation and maintenance of parks, parkways and open space, including street trees and landscape. For single-family residences, the Special Tax for debt service is based on the square footage of a residence. The Assigned Special Tax for single-family residences within Zone A of the District ranges from $3,306 to $3,470 per residence and from $3,507 to $3,734 per residence for Zone B. The maximum special tax for non-residential property in Zone A is $42,043 per net acre and $38,189 per net acre for Zone B. The initial maximum O&M Special Tax for single family residences in the District was $771 per Benefit Unit for both Zone A and Zone B and the maximum O&M Special Tax for non-residential property in Zone A was $9,505 per net acre and $8,121 per net acre for Zone B. The O&M Special Tax for Zone A and Zone B will increase on July 1 by the percentage increase in the Consumer Price Index (All Items) for Los Angeles – Riverside – Orange County (1982-84 = 100) since the beginning of the preceding fiscal year, or by 2%, whichever is greater, starting in Fiscal Year 2015-16.

Ad Valorem Overrides.

Metropolitan Water District Debt Service. Property within the District is subject to a Metropolitan Water District debt service tax. The rate on such property for Fiscal Year 2016-17 is 0.0035% per $100 of assessed value. The tax is used to pay debt service on $850,000,000 in bonds which were issued by the Metropolitan Water District under an authorization of $850,000,000, of which approximately $92,865,000 was outstanding as of November 15, 2016.

Corona-Norco Unified School District G.O. Bond. Property within the District is subject to a Corona-Norco Unified School District debt service tax. This tax pays for new school construction, modernization, and improvement projects. The rate on such property for Fiscal Year 2016-17 is 0.09416% per $100 of the assessed value. The tax is used to pay debt service on $414,990,034 in bonds which were issued by the Corona-Norco Unified School District under an original authorization of $711,000,000 of which approximately $329,303,603 was outstanding as of November 15, 2016.

Riverside Community College District Debt Service. Property within the District is subject to a Riverside Community College District debt service tax. This tax pays for new school construction, modernization, and improvement projects. The rate on such property for Fiscal Year 2016-17 is 0.01649% per $100 of assessed value. The tax is used to pay debt service on $310,003,424 in bonds which were issued by the Riverside Community College District under an authorization of $350,000,000, of which approximately $262,164,715 was outstanding as of November 15, 2016.

Expected Tax Burden

In Fiscal Year 2016-17, Special Taxes are being levied on taxable property in the District classified as Developed Property as of March 1, 2016 at rates equal to 100% of the rates set forth in Tables 1 and 2 of the Rates and Method (the "Assigned Special Tax rates"). Based on the appraised values within the District set forth in the Appraisal Report and the projected Fiscal Year 2017-18 Special Tax levy, which has been sized based on the projected debt service for the Bonds plus $40,000 in estimated District administrative expenses, the projected effective tax rate on taxable property in the District for Fiscal Year 2017-18 ranges from approximately 1.80% to 1.94% of the appraised value, and the projected weighted average of the total projected property tax rate for all 222 parcels in the District classified as Developed Property for the Fiscal Year 2017-18 Special Tax levy is approximately 1.85%. Table 2 sets forth the total projected effective tax rates by size classifications under the Rates and Method, and the number of parcels within each size classification.

TABLE 2
SUMMARY OF PROJECTED TOTAL EFFECTIVE TAX RATES
FISCAL YEAR 2017-18

Home Size Classification/Square Feet	*Total Effective Tax Rate Average*[(1)(2)]	*Total Effective Tax Rate Range*	*Number of Parcels*[(3)]
Zone A			
Less than 1,901 SF	1.94%	1.94%	21
1,901 to 2,100 SF	1.86	1.86	24
Over 2,100 SF	1.85	1.85	27
Zone B			
Less than 2,201 SF	1.87	1.87	10
2,201 SF to 2,400 SF	1.85	1.83 to 1.86	57
2,401 SF to 2,600 SF	1.82	1.81 to 1.83	39
Over 2,600 SF	1.81	1.80 to 1.83	44
Grand Totals	1.85%	1.80% to 1.94%	222

(1) Based on the projected Fiscal Year 2017-18 Special Tax levy derived using the debt service for the Bonds provided by the Underwriter plus $40,000 in estimated District administrative expenses.

(2) Based on appraised value provided in the Appraisal Report, with a date of value of January 15, 2017. The Appraiser has provided the District with a Supplement to the Appraisal Report concluding that, as of January 3, 2017, the minimum market value of the taxable property within the District was not less than the value set forth in the Appraisal Report. See APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT."

(3) There will be 224 parcels at buildout, but building permits had not been obtained for two parcels in Zone B as of January 15, 2017 (although those two building permits were obtained as of February 14, 2017).

Source: Albert A. Webb Associates.

Table 3 below describes the estimated Fiscal Year 2017-18 effective tax burden for sample units within the District. The estimated Fiscal Year 2017-18 effective tax burden for sample units within the District was estimated using the District's projected Fiscal Year 2017-18 Special Tax levy based on debt service for the Bonds for Fiscal Year 2017-18, as provided by the Underwriter, plus an estimated $40,000 in District administrative costs. Fiscal Year 2016-17 tax, assessment and parcel charge rates for entities other than the District were used to estimate Fiscal Year 2017-18 taxes, assessments and parcel charges for the other entities levying such taxes, assessments and parcel charges within the District. The estimated tax rates and amounts presented in the Official Statement are based on currently available information. The actual amounts charged may vary and may increase in future years depending on the amount of Bonds outstanding, and the number of delinquencies in the District, among other factors.

TABLE 3A
ESTIMATED FISCAL YEAR 2017-18 EFFECTIVE TAX RATES
FOR SAMPLE UNITS[1]
ZONE A – ESTRELLA AT COPPER SKY

Plan	E-1	E-2	E-3
CFD Tax Category	Under 1,901 S.F.	1,901 to 2,100 S.F.	Over 2,100 S.F.
Home Size	1,727	2,062	2,161
Projected Sales Price[2]	$ 371,305	$ 422,710	$ 432,200
***Ad Valorem* Property Taxes:**			
Basic Levy (1.00%)	$ 3,713.05	$ 4,227.10	$ 4,322.00
Metropolitan Water District G.O. Bond (0.0035%)	13.00	14.79	15.13
Riverside Community College District G.O. Bond (0.01649%)	61.23	69.70	71.27
Corona/Norco Unified School District G.O. Bond (0.09416%)	349.62	398.02	406.96
Total General Property Taxes	$ 4,136.90	$ 4,709.61	$ 4,815.36
Assessment, Special Taxes & Parcel Charges:			
Flood Control NPDES - Santa Ana	$ 3.75	$ 3.75	$ 3.75
Met Water Dist Standby West	9.22	9.22	9.22
N.W. Mosquito & Vector Control[3]	0.00	0.00	0.00
City of Eastvale LLMD 89-1-C Zone 115	14.30	14.30	14.30
JCSD LLMD No. 2001-3, Zone LLL (Lightning Maintenance District)	1.00	1.00	1.00
JCSD CFD No. 47 – Operation & Maintenance	802.15	802.15	802.15
CFD No. 47 - FY 2017-18 Annual Special Tax per Unit[4]	2,245.13	2,332.06	2,356.50
Total Assessments & Parcel Charges	$ 3,075.55	$ 3,162.48	$ 3,186.92
Projected Total Property Tax	$ 7,212.45	$ 7,872.09	$ 8,002.28
Projected Effective Tax Rate	1.94%	1.86%	1.85%

(1) Other than the Special Taxes, the assessments and parcel charges are based on Fiscal Year 2016-17 information, except where otherwise indicated.

(2) Current market values from the Appraisal Report, with a date of value as of November 15, 2016, have been used for the projected sales prices. The Appraiser has provided the District with a Supplement to the Appraisal Report concluding that, as of January 3, 2017, the minimum market value of the taxable property within the District was not less than the value set forth in the Appraisal Report. See APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT."

(3) For Fiscal Year 2006-07, this assessment was $1.47 per single family residential parcel and for Fiscal Year 2007-08 through Fiscal Year 2016-17 this assessment has been suspended.

(4) The CFD No. 47 Annual Special Tax per Unit amounts were derived utilizing the Bond debt service for Fiscal Year 2017-18 and includes $40,000 in administrative expenses.

Source: Albert A. Webb Associates, based on Appraisal Report with a date of value of November 15, 2016.

TABLE 3B
ESTIMATED FISCAL YEAR 2017-18 EFFECTIVE TAX RATES FOR SAMPLE UNITS[1]
ZONE B – LUNA/LUNA POINTE AT COPPER SKY

Plan	L-1	L-2	L-3	L-4	L-5
CFD Tax Category	Under 2,201 S.F.	2,201 to 2,400 S.F.	2,201 to 2,400 S.F.	2,401 to 2,600 S.F.	Over 2,600 S.F.
Home Size	2,115	2,244	2,343	2,541	2,630
Projected Sales Price[2]	$ 423,000	$ 437,580	$ 445,170	$ 462,462	$ 473,400
***Ad Valorem* Property Taxes:**					
Basic Levy (1.00%)	$ 4,230.00	$ 4,375.80	$ 4,451.70	$ 4,624.62	$ 4,734.00
Metropolitan Water District G.O. Bond (0.0035%)	14.81	15.32	15.58	16.19	16.57
Riverside Community College District G.O. Bond (0.01649%)	69.75	72.16	73.41	76.26	78.06
Corona/Norco Unified School District G.O. Bond (0.09416%)	398.30	412.03	419.17	435.45	445.75
Total General Property Taxes	$ 4,712.86	$ 4,875.31	$ 4,959.86	$ 5,152.52	$ 5,274.38
Assessment, Special Taxes & Parcel Charges:					
Flood Control NPDES - Santa Ana	$ 3.75	$ 3.75	$ 3.75	$ 3.75	$ 3.75
Met Water Dist Standby West	9.22	9.22	9.22	9.22	9.22
N.W. Mosquito & Vector Control[3]	0.00	0.00	0.00	0.00	0.00
City of Eastvale LLMD 89-1-C Zone 115	14.30	14.30	14.30	14.30	14.30
JCSD LLMD No. 2001-3, Zone LLL (Lightning Maintenance District)	1.00	1.00	1.00	1.00	1.00
JCSD CFD No. 47 – Operation & Maintenance	802.15	802.15	802.15	802.15	802.15
CFD No. 47 - FY 2017-18 Annual Special Tax per Unit[4]	2,381.63	2,424.41	2,424.41	2,486.21	2,535.79
Total Assessments & Parcel Charges	$ 3,212.05	$ 3,254.83	$ 3,254.83	$ 3,316.63	$ 3,366.21
Projected Total Property Tax	$ 7,924.91	$ 8,130.14	$ 8,214.69	$ 8,469.15	$ 8,640.59
Projected Effective Tax Rate	1.87%	1.86%	1.85%	1.83%	1.83%

(1) Other than the Special Taxes, the assessments and parcel charges are based on Fiscal Year 2016-17 information, except where otherwise indicated.

(2) Current market values from the Appraisal Report, with a date of value as of November 15, 2016, have been used for the projected sales prices. The Appraiser has provided the District with a Supplement to the Appraisal Report concluding that, as of January 3, 2017, the minimum market value of the taxable property within the District was not less than the value set forth in the Appraisal Report. See APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT."

(3) For Fiscal Year 2006-07, this assessment was $1.47 per single family residential parcel and for Fiscal Year 2007-08 through Fiscal Year 2016-17 this assessment has been suspended.

(4) The CFD No. 47 Annual Special Tax per Unit amounts were derived utilizing the Bond debt service for Fiscal Year 2017-18 and includes $40,000 in administrative expenses.

Source: Albert A. Webb Associates, based on Appraisal Report with a date of value of November 15, 2016.

TABLE 3C
ESTIMATED FISCAL YEAR 2017-18 EFFECTIVE TAX RATES
FOR SAMPLE UNITS[1]
ZONE B – COPPER HEIGHTS AT COPPER SKY

Plan	C-1	C-2	C-3	C-4
CFD Tax Category	2,201 to 2,400 S.F.	2,201 to 2,400 S.F.	2,401 to 2,600 S.F.	Over 2,600 S.F.
Home Size	2,244	2,343	2,523	2,716
Projected Sales Price[2]	$ 448,800	$ 456,885	$ 474,324	$ 488,880
***Ad Valorem* Property Taxes:**				
Basic Levy (1.00%)	$ 4,488.00	$ 4,568.85	$ 4,743.24	$ 4,888.80
Metropolitan Water District G.O. Bond (0.0035%)	15.71	15.99	16.60	17.11
Riverside Community College District G.O. Bond (0.01649%)	74.01	75.34	78.22	80.62
Corona/Norco Unified School District G.O. Bond (0.09416%)	422.59	430.20	446.62	460.33
Total General Property Taxes	$ 5,000.31	$ 5,090.38	$ 5,284.68	$ 5,446.86
Assessment, Special Taxes & Parcel Charges:				
Flood Control NPDES - Santa Ana	$ 3.75	$ 3.75	$ 3.75	$ 3.75
Met Water Dist Standby West	9.22	9.22	9.22	9.22
N.W. Mosquito & Vector Control[3]	0.00	0.00	0.00	0.00
City of Eastvale LLMD 89-1-C Zone 115	14.30	14.30	14.30	14.30
JCSD LLMD No. 2001-3, Zone LLL (Lightning Maintenance District)	1.00	1.00	1.00	1.00
JCSD CFD No. 47 – Operation & Maintenance	802.15	802.15	802.15	802.15
CFD No. 47 - FY 2017-18 Annual Special Tax per Unit[4]	2,424.41	2,424.41	2,486.21	2,535.79
Total Assessments & Parcel Charges	$ 3,254.83	$ 3,254.83	$ 3,316.63	$ 3,366.21
Projected Total Property Tax	$ 8,255.14	$ 8,345.21	$ 8,601.31	$ 8,813.07
Projected Effective Tax Rate	1.84%	1.83%	1.81%	1.80%

(1) Other than the Special Taxes, the assessments and parcel charges are based on Fiscal Year 2016-17 information, except where otherwise indicated.

(2) Current market values from the Appraisal Report, with a date of value as of November 15, 2016, have been used for the projected sales prices. The Appraiser has provided the District with a Supplement to the Appraisal Report concluding that, as of January 3, 2017, the minimum market value of the taxable property within the District was not less than the value set forth in the Appraisal Report. See APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT."

(3) For Fiscal Year 2006-07, this assessment was $1.47 per single family residential parcel and for Fiscal Year 2007-08 through Fiscal Year 2016-17 this assessment has been suspended.

(4) The CFD No. 47 Annual Special Tax per Unit amounts were derived utilizing the Bond debt service for Fiscal Year 2017-18 and includes $40,000 in administrative expenses.

Source: Albert A. Webb Associates, based on Appraisal Report with a date of value of November 15, 2016.

Appraisal Report

An MAI appraisal of the land and existing improvements within the District was prepared by Kitty Siino & Associates, Inc., Tustin, California, dated December 22, 2016. The Appraisal Report is entitled "Appraisal Report – Community Facilities District No. 47 of the Jurupa Community Services District." See APPENDIX B-1 — "APPRAISAL REPORT." The Appraisal Report sets forth an estimate of the market value of the fee simple interest of various properties within the District. The Appraiser is of the opinion that the aggregate market value and minimum market value of the taxable property and improvements in existence within the District as of November 15, 2016, was $88,862,485. The Appraiser has provided the District with a Supplement to the Appraisal Report concluding that, as of January 3, 2017, the minimum market value of the taxable property within the District was not less than the value set forth in the Appraisal Report. See APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT."

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in APPENDIX B-1. The Services District makes no representation as to the accuracy of the Appraisal Report. See "— Estimated Appraised Value-to-Lien Ratio." There is no assurance that the property in the District can be sold for the prices set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to pay the Special Tax for that parcel in the event of a default in payment of Special Taxes by

the landowner. See "RISK FACTORS — Land Values," APPENDIX B-1 — "APPRAISAL REPORT" and APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT."

Estimated Appraised Value-to-Lien Ratio

Table 4 below sets forth the estimated value-to-lien ratio for the taxable property in the District, based upon the appraised value for such property as of November 15, 2016. As of November 15, 2016, the appraised value from the Appraisal Report of the property within the District was $88,862,485. Dividing the appraised value by the principal amount of the portion of the Bonds plus all overlapping debt secured by a tax or assessment on the property within the District results in an estimated appraised value-to-lien of approximately 10.69-to-1. When all overlapping issued general obligation debt is included in such calculation, the estimated appraised value-to-lien ratio equals approximately 9.39-to-1.

TABLE 4
ESTIMATED VALUE-TO-LIEN RATIOS
ALLOCATED BY PROPERTY OWNER

Property Owner[1]	*Projected Dwelling Units at Buildout*	*Appraised Property Value*[1]	*Estimated Fiscal Year 2017-18 Special Tax Levy*[2]	*Percentage of Fiscal Year 2017-18 Special Tax Levy*[2]	*CFD No. 47 Proposed Debt*[3]	*Value-to-Lien Ratio*
Developed Individual Owned	178	$ 77,779,512	$ 427,978	79.66%	$ 6,623,344	11.74:1
Developed Developer Owned	44	10,697,756	109,309	20.34	1,691,656	6.32:1
Undeveloped-Developer Owned[4]	2	385,217	--	0.00	--	n/a
Total	**224**	**$ 88,862,485**	**$ 537,288**	**100.00%**	**$ 8,315,000**	**10.69:1**

(1) Reflects the appraised value based on ownership status as of November 15, 2016, the date of value of the Appraisal Report. The Appraiser has provided the District with a Supplement to the Appraisal Report concluding that, as of January 3, 2017, the minimum market value of the taxable property within the District was not less than the value set forth in the Appraisal Report. See APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT." Since November 15, 2016, the date of value of the Appraisal Report, as of January 15, 2017, an additional 13 completed production homes have been conveyed to individual homebuyers. See "THE DEVELOPMENT AND PROPERTY OWNERSHIP – Development Plan."

(2) Estimated Fiscal Year 2017-18 Special Tax levy based upon development status as of January 15, 2017.

(3) Consisting of Bonds allocated to property owners based on ownership as of November 15, 2016. Responsibility for the par amount has been allocated based on the projected Fiscal Year 2017-18 Special Tax levy based on development status as of January 15, 2017 and the bond sizing. Albert A. Webb Associates is not aware of any additional overlapping land secured bonded debt other than the Bonds. See Table 1.

(4) There were two Developer owned parcels for which building permits had not been obtained as of January 15, 2017, but those building permits had been obtained as of February 14, 2017.

Source: Albert A. Webb Associates.

Table 5 below sets forth the estimated value-to-lien ratio stratification of the taxable properties in the District, based upon the appraised values set forth in the Appraisal Report as of November 15, 2016 and the principal amount of the Bonds apportioned based on the projected Fiscal Year 2017-18 Special Tax levy.

TABLE 5
VALUE-TO-LIEN STRATIFICATION

Value-to-Lien Ratio	*Number of Parcels*	*Appraised Value*[1]	*Share of Aggregate Outstanding & Proposed Land Secured Debt*[2]	*Percentage Share of Aggregate of Outstanding & Proposed Land Secured Debt*	*Value-to-Lien Ratio*
Between 4.91:1 to 9.00:1[3][5]	34	$ 6,693,081	$ 1,225,526	14.74%	5.46:1
Between 9.00:1 to 10.99:1	33	12,187,297	1,195,783	14.38	10.19:1
Greater than 11.00:1[4]	157	69,982,107	5,893,691	70.88	11.87:1
Total	**224**	**$ 88,862,485**	**$ 8,315,000**	**100.00%**	**10.69:1**

(1) Reflects the appraised value based on ownership status as of November 15, 2016, the date of value of the Appraisal Report. The Appraiser has provided the District with a Supplement to the Appraisal Report concluding that, as of January 3, 2017, the minimum market value of the taxable property within the District was not less than the value set forth in the Appraisal Report. See APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT."
(2) Albert A. Webb Associates is not aware of any additional overlapping land secured bonded debt other than the Bonds.
(3) Parcels that are considered to be developed have a minimum value-to-lien of 4.91:1.
(4) Parcels that are considered to be developed have a maximum value-to-lien of 12.46:1.
(5) There were two Developer owned parcels for which building permits had not been obtained as of January 15, 2017, but those building permits had been obtained as of February 14, 2017. As parcels of Undeveloped Property are not expected to be levied in Fiscal Year 2017-18, no portion of the Bonds have been allocated to such parcels. If the value of only the parcels of Developed Property are divided by the Bonds, the value-to-lien ratio is 5.15:1.
Source: Albert A. Webb Associates.

Delinquency History

The following table is a summary of Special Tax levies, collections and delinquency rates in the District for Fiscal Years 2015-16 and 2016-17. Fiscal Year 2015-16 was the first fiscal year in which Special Taxes were levied within the District. The District has not been required to commence, and has not commenced, any foreclosure actions in the District to date.

TABLE 6
SPECIAL TAX LEVIES, DELINQUENCIES AND DELINQUENCY RATES
FISCAL YEAR 2015-16 AND 2016-17

			Delinquencies as of June 30 of Fiscal Year			*Delinquencies as of March 7, 2017*		
Fiscal Year	*Amount Levied*	*Parcels Levied*	*Parcels Delinquent*	*Amount Delinquent*	*Percent Delinquent*	*Parcels Delinquent*	*Amount Delinquent*	*Percent Delinquent*
2015-16	$336,059	96	1	$1,867	0.56%	1	$ 1,867	0.56%
2016-17[1][2]	307,955	166	n/a	n/a	n/a	6	10,888	3.54%

(1) Delinquency information as of June 30 for Fiscal Year 2016-17 is not listed as the information is not available.
(2) The levy amount for Fiscal Year 2016-17 reflects the amount due for the first installment only. The total amount levied for Fiscal Year 2016-17 is $615,909.
Source: Albert A. Webb Associates.

Top Taxpayers

As of January 15, 2017, all but two of the building permits within the District have been obtained, and therefore 222 parcels in the District will be classified as Developed Property for the Fiscal Year 2017-18 Special Tax levy. Based on ownership status as of January 15, 2017, individual homeowners are calculated to

be responsible for approximately 79.66% of the projected Fiscal Year 2017-18 Special Tax levy and D.R. Horton is calculated to be responsible for approximately 20.34% of the projected Fiscal Year 2017-18 Special Tax levy. Until the completion and sale of the remaining 33 lots within the District owned by the Developer as of January 15, 2017 to individual homeowners, the receipt of the Special Taxes is dependent in part on the willingness and the ability of the Developer to pay the Special Taxes when due. See "THE DEVELOPMENT AND PROPERTY OWNERSHIP" and "RISK FACTORS — Concentration of Ownership."

THE DEVELOPMENT AND PROPERTY OWNERSHIP

Representatives of D.R. Horton have provided the information in this section regarding D.R. Horton and its development in the District. Neither the Underwriter nor the Services District has independently confirmed or verified the information in this section of the Official Statement nor does any such party make any representation as to accuracy or adequacy of this information. Further, there may be material adverse changes in this information after the date of this Official Statement.

The information in this section of the Official Statement regarding ownership of certain taxable property in the District has been included because it is considered relevant to an informed evaluation of the Bonds. The inclusion in this Official Statement of information related to D.R. Horton should not be construed to suggest that the Bonds, or the Special Taxes that will be used to pay the Bonds, are recourse obligations of D.R. Horton or any other property owner in the District. A property owner may sell or otherwise dispose of land within the District or a development or any interest therein at any time.

No assurance can be given that the proposed development within the District will occur as described below. As the proposed land development progresses and parcels are sold, it is expected that the ownership of the land within the District will become more diversified. No assurance can be given that development of the land within the District will occur in a timely manner or in the configuration or intensity described herein, or that any landowner described herein will obtain or retain ownership of any of the land within the District.

The Bonds and the Special Taxes are not personal obligations of D.R. Horton or any other current or subsequent property owners and, in the event that D.R. Horton or any other current or subsequent property owner defaults in the payment of the Special Taxes, the Services District may proceed with judicial foreclosure but has no direct recourse to the assets of D.R. Horton or any other current or subsequent property owner. As a result, other than as provided in the Official Statement, no financial statements or information is, or will be, provided about D.R. Horton or any other current or subsequent property owner. The Bonds are secured solely by the Special Taxes and other amounts pledged under the Fiscal Agent Agreement. See "SOURCES OF PAYMENT FOR THE BONDS" and "RISK FACTORS."

General Description of the Development

Formed in May 2014, the District is located in the City of Eastvale, California, in the County of Riverside, off Interstate 15. The District is generally located south of Riverboat Drive and east of Scholar Way in Eastvale. The property in the District contains approximately 39.99 gross acres within Final Tract Map No. 34014.

D.R. Horton Los Angeles Holding Company Inc., a California corporation ("D.R. Horton" or the "Developer") is developing the property within the District in a project called "Copper Sky" into 224 detached residential units within three neighborhoods: "Estrella," "Luna/Luna Pointe" and "Copper Heights." As of January 15, 2017, of the 224 residential units planned within the District, 191 units had been completed and conveyed to individual homeowners, 8 units (including 2 model homes) had been completed or substantially completed and were owned by D.R. Horton, 20 units were in various stages of construction and 5 units were in finished lot condition. Of the 33 lots owned by the D.R. Horton as of January 15, 2017, 16 substantially completed homes and 12 homes under construction were in escrow to individual homebuyers. However, homes under contract may not result in closed escrows as sales contracts are subject to cancellation.

D.R. Horton

General. As previously defined in this Official Statement, "D.R. Horton" or "Developer" is D.R. Horton Los Angeles Holding Company Inc., a California corporation, which markets the homes it is constructing in the District under the tradename "D.R. Horton, America's Builder." D.R. Horton is a subsidiary of D.R. Horton, Inc., a Delaware corporation ("D.R. Horton, Inc."), a public company whose common stock is traded on the New York Stock Exchange under the symbol "DHI." Founded in 1978 and headquartered in Fort Worth, Texas, D.R. Horton, Inc. constructs and sells homes in 26 states and 78 metropolitan markets of the United States under the names of D.R. Horton, America's Builder, Express Homes, Emerald Homes, Freedom Homes and Pacific Ridge Homes.

D.R. Horton, Inc. is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information, including financial statements, with the SEC. Such filings, particularly, D.R. Horton, Inc.'s Annual Report on Form 10-K for the Fiscal Year ended September 30, 2016, as filed by D.R. Horton, Inc. with the SEC on November 18, 2016 and Quarterly Report in Form 10-Q for the quarter period ended December 31, 2016 as filed by D.R. Horton with the SEC on January 25, 2017, set forth certain data relative to the consolidated results of operations and financial position of D.R. Horton, Inc. and its subsidiaries, including D.R. Horton, as of such dates.

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 D.R. Horton, Inc. The address of such Internet web site is *www.sec.gov*. In addition, the aforementioned material may also be inspected at the offices of the NYSE at 20 Broad Street, New York, NY 10005. All documents subsequently filed by D.R. Horton, Inc. 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 D.R. Horton, Inc.'s Annual Report and each of its other quarterly and current reports, including any amendments, are available from D.R. Horton, Inc.'s website at *www.drhorton.com*.

The foregoing 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. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on these Internet sites.

Development Plan

Development plans for the approximately 39.99 gross acres comprising the Estrella, Luna/Luna Pointe and Copper Heights neighborhoods within the Copper Sky development in the District include the construction and sale to individual homebuyers of 224 detached residential units ranging in size from approximately 1,727 square feet to approximately 2,716 square feet, with minimum lot sizes of 7,200 square feet.

A final tract map has been recorded for all the units planned within the District (Tract Map No. 34014). All other approvals and permits required for development of property within the District have been secured except as otherwise described in this Official Statement and except for approvals required in the normal course of development.

D.R. Horton acquired the property within the District in June, 2013 for $33,795,776, which equates to approximately $150,874 per lot for the property which was in a raw land condition at the time of sale with tentative mapping complete. The first homes within the District were completed and conveyed to individual homeowners in September 2014. As of January 15, 2017, of the 224 detached residential units planned within the District, 191 units had been completed and conveyed to individual homeowners, 8 units (including 2 model homes) had been completed or substantially completed and were owned by D.R. Horton, 20 units were in

various stages of construction and 5 units were in finished lot condition. Of the 33 lots owned by the Developer as of January 15, 2017, 16 substantially completed homes and 12 homes under construction were in escrow to individual homebuyers. However, homes under contract may not result in closed escrows as sales contracts are subject to cancellation.

As of November 15, 2016, the 72 units within the Estrella neighborhood and the 92 units within the Luna/Luna Pointe neighborhood had all been completed and conveyed to individual homeowners. The Copper Heights neighborhood is planned for 60 units, of which 27 had been completed and conveyed to individual homeowners as of January 15, 2017. The 72 units within the Estrella neighborhood are within Zone A under the Rates and Method. The 92 units within the Luna/Luna Pointe neighborhood and the 60 units and lots within the Copper Heights neighborhood are within Zone B under the Rates and Method.

As of January 15, 2017, of the 60 lots within the Copper Heights neighborhood, 27 contained completed production homes that had been sold and conveyed to individual homeowners, 8 contained completed or substantially completed homes (including two model homes) which were owned by the Developer, 20 contained homes in various stages of construction and the remaining 5 lots were in finished lot condition. Of the 33 lots owned by the Developer in the Copper Heights neighborhood as of January 15, 2017, 16 contained substantially completed homes and 12 contained homes under construction which were in escrow to individual homebuyers. However, homes under contract may not result in closed escrows as sales contracts are subject to cancellation. All but two building permits have been obtained by the Developer as of January 15, 2017. The Developer expects to complete build out and convey the remaining homes in the Copper Heights neighborhood in August 2017.

A summary of the development within the Estrella, Luna/Luna Pointe and Copper Heights neighborhoods in the District is set forth below in Table 7.

TABLE 7
SUMMARY OF DEVELOPMENT
(As of January 15, 2017)

Neighborhood	*Plan*	*No. of Lots*		*Closed to Individual Homeowners[2]*	*Total Units*	*Estimated Square Footage[3]*	*Estimated Base Home Price[4]*
		Substantially Complete[1]	*Under Construction*				
Estrella	1	0	0	21	21	1,727	$402,000
Estrella	2	0	0	24	24	2,062	416,400
Estrella	3	0	0	27	27	2,161	428,900
Subtotal		**0**	**0**	**72**	**72**		
Luna/Luna Pointe	1	0	0	10	10	2,115	$437,990
Luna/Luna Pointe	2	0	0	12	12	2,244	446,600
Luna/Luna Pointe	3	0	0	10	10	2,252	426,100
Luna/Luna Pointe	4	0	0	14	14	2,343	452,500
Luna/Luna Pointe	5	0	0	23	23	2,541	461,990
Luna/Luna Pointe	6	0	0	23	23	2,630	466,490
Subtotal		**0**	**0**	**92**	**92**		
Copper Heights	1	2	7	6	18	2,244	$469,990
Copper Heights	2	0	2	2	4	2,343	476,990
Copper Heights	3	3	5	8	16	2,523	499,990
Copper Heights	4	3	6	11	22	2,716	502,990
Subtotal		**8**	**20**	**27**	**60**		
Total		**8**	**20**	**191**	**224**		

(1) Includes two model homes in Copper Heights.
(2) As of January 15, 2017.
(3) Square footage shown excludes room options which may be offered.
(4) Base home prices shown exclude the builder's estimate of lot premiums, the sales of options and extras and any incentives or price reductions. Based on base home sale prices as of January 15, 2017 for the Copper Heights neighborhood and the final base sales prices within the Estrella and Luna/Luna Pointe neighborhoods. Base home prices fluctuate frequently based on, among other things, market and inventory conditions.

Source: D.R. Horton.

While the information set forth in this Official Statement reflects the Developer's current development expectations, no assurance can be given that final home construction and conveyance to individual home buyers will be carried out according to the schedule or plans described in this Official Statement.

Financing Plan

As of January 15, 2017, all backbone infrastructure facilities required to serve the development within the District have been completed. As of January 15, 2017, D.R. Horton had expended approximately $84,600,000 in land acquisition, improvements, home construction costs, and other development, marketing and sales costs (exclusive of internal financing repayment) related to its property in the District. D.R. Horton expects the remaining land improvements, home construction costs and other development, marketing and sales costs within the District to be approximately $4,400,000.

To date, D.R. Horton has financed its land acquisition and various site development and home construction costs related to its property in the District through home sales and internally generated funds.

D.R. Horton expects to use home sales and internal funding to complete its development within the District. However, home sales revenues for D.R. Horton's project in the District are not segregated and set aside for completing its project in the District. Home sales revenue is swept daily from D.R. Horton's divisions for use in operations, to pay down debt and for other corporate purposes and might get diverted to other D.R. Horton needs at the discretion of D.R. Horton's management. Notwithstanding the foregoing, D.R. Horton believes that it will have sufficient funds available to complete its proposed development in the District commensurate with the development timing described in this Official Statement.

Although D.R. Horton expects to have sufficient funds available to complete its development in the District, commensurate with the development timing described in this Official Statement, there can be no assurance, however, that amounts necessary to finance the remaining development and home construction costs will be available from D.R. Horton or any other source when needed. Neither D.R. Horton, nor its parent, D.R. Horton, Inc., nor any of its related entities are under any legal obligation of any kind to expend funds for the remaining development of and construction of homes on its property in the District. Any contributions by D.R. Horton 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, is inadequate to pay the costs to complete the planned development by D.R. Horton within the District and other financing by D.R. Horton is not put into place, there could be a shortfall in the funds required to complete the proposed development by D.R. Horton in the District and the remaining portions of the project in the District may not be developed.

Except as described in this Official Statement and except for those consents, permits, authorizations, certifications and approvals of governmental entities required in the ordinary course of development, D.R. Horton has no actual knowledge of any impediment to construction or obtaining land use entitlements which could be reasonably expected to have a material adverse effect on its ability to complete the planned development of its property within the District within the timeframe and budget described in the Official Statement.

History of Property Tax Payments; Loan Defaults; Litigation

D.R. Horton has represented to the District as follows:

1. Except as described in this Official Statement, there is no material indebtedness of D.R. Horton that is secured by an interest in the Property (defined below). D.R. Horton is not in default on any obligation to repay borrowed money, which default is reasonably likely to materially and adversely affect D.R. Horton's ability to complete the development of the Property as described in this Official Statement or to pay the Special Taxes due at any time with respect to the portion of the Property then owned by D.R. Horton (to the extent the responsibility of D.R. Horton) prior to delinquency.

2. Except as set forth in this Official Statement, 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 D.R. Horton (with proper service of process to D.R. Horton having been accomplished) or to the Actual Knowledge of D.R. Horton (defined below) is threatened in writing against D.R. Horton which if successful, is reasonably likely to materially and adversely affect D.R. Horton's ability to complete the development of the Property as described in this Official Statement or to pay the Special Tax or *ad valorem* tax obligations due at any time with respect to the portion of the Property then owned by D.R. Horton (to the extent the responsibility of D.R. Horton) prior to delinquency.

3. D.R. Horton has been developing or has been involved in the development of numerous projects over an extended period of time. It is likely that D.R. Horton has been delinquent at one time or another in the payment of *ad valorem* property taxes, special assessments or special taxes. However, to the Actual Knowledge of D.R. Horton, during the last five years, D.R. Horton has not, during the period of its ownership, been delinquent to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property in California owned by D.R. Horton included within the boundaries of a community facilities district or assessment district that (a) would have caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being filed against the delinquent D.R. Horton.

As used in the above representations of D.R. Horton, the following defined terms and phrases have the following meanings:

"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. For purposes hereof, the term "control" (including the terms "controlling," "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Actual Knowledge of D.R. Horton" shall mean the knowledge of the authorized officer of D.R. Horton (the "Authorized Officer") signing the certificate containing the above representations (the "D.R. Horton Certificate") as of the date of the D.R. Horton Certificate obtained through (i) interviews with such current officers and responsible employees of D.R. Horton as such Authorized Officer has determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in the D.R. Horton Certificate and/or (ii) review of documents that reasonably available to the Authorized Officer and which the Authorized Officer has reasonably deemed necessary for the Authorized Officer to obtain knowledge of the matters set forth in the D.R. Horton Certificate. The Authorized Officer will not conduct any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of D.R. Horton's current business and operations. The Authorized Officer executing the D.R. Horton Certificate has not contacted any individuals who are no longer with D.R. Horton or its Affiliates.

"Property" means taxable property within the District held in the name of D.R. Horton.

RISK FACTORS

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

Risks of Real Estate Secured Investments Generally

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

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

Limited Obligations

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

Insufficiency of Special Taxes

Under the Rates and Method, the annual amount of Special Tax to be levied on each taxable parcel in the District will generally be based on whether such parcel is categorized as Undeveloped Property or as Developed Property and on the land use class to which a parcel of Developed Property is assigned. See APPENDIX A — "RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX" and "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Rates and Method of Apportionment of Special Taxes.*"

The maximum Special Taxes that may be levied within the District are at least 110% of Maximum Annual Debt Service on the Bonds. Notwithstanding that the maximum Special Taxes that may be levied in the District exceeds debt service due on the Bonds, the Special Taxes collected could be inadequate to make timely payment of debt service either because of nonpayment or because property becomes exempt from taxation as permitted in the Rates and Method.

Special Taxes will be levied on property in the District to pay annual debt service on the Bonds (and any Parity Bonds issued for refunding purposes) on the basis of these percentages, provided that the foregoing percentages will change in the event of Special Tax prepayments. As a consequence of any of the foregoing limitations, in the event of significant delinquencies in the District, causing a depletion of all amounts on deposit in the Reserve Fund, there would not be sufficient Special Tax Revenues to pay the full amount of annual debt service on the Bonds unless and until the delinquent Special Taxes were collected in the District through foreclosure action or otherwise. See "— Bankruptcy and Foreclosure" below for a discussion of potential delays in foreclosure actions.

Pursuant to the Rates and Method, under no circumstances may the Special Tax levied against any parcel used for private residential purposes be increased as a consequence of delinquency or default by owner of any other parcel or parcels within the District by more than 10% in any fiscal year. Thus, the Services District may not be able to increase Special Tax levies in future fiscal years by enough to make up for delinquencies for prior fiscal years. This would result in draws on the Reserve Fund, and if delinquencies continue and in the aggregate exceed the Reserve Fund balance, defaults would occur in the payment of principal and interest on the Bonds. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *10% Limitation on Increases in the Special Tax Levy as a Result of Delinquencies*."

The Rates and Method governing the levy of the Special Tax expressly exempts up to 21.77 Net Acres of property in the District owned by public agencies and other exempt entities in the District. See Section E of APPENDIX A — "RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX." If for any reason property within the District becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government, another public agency or a religious organization, subject to the limitations of the maximum authorized rates, the Special Tax will be reallocated to the remaining taxable properties within the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the ability and willingness of the owners of such property to pay the Special Tax when due.

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

Special Tax Delinquencies

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

See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*," for a discussion of the provisions which apply, and procedures which the Services District is obligated to follow under the Fiscal Agent Agreement, in the event of delinquencies in the payment of Special Taxes. See "RISK FACTORS — FDIC/Federal Government Interests in Properties" below, for a discussion of the policy of the Federal Deposit Insurance Corporation (the "FDIC") regarding the payment of special taxes and assessment and limitations on the Services District's ability to foreclosure on the lien of the Special Taxes in certain circumstances where property within the District is owned by the federal government, agencies of the federal government, or, possibly, government sponsored enterprises such as Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac").

The Services District has the authority and the obligation, subject to the Act and the maximum Special Tax rates set forth in the Rates and Method, to increase the levy of Special Taxes against non-delinquent property owners in the District in the event other owners in the District are delinquent. Pursuant to the Rates and Method, under no circumstances may the Special Tax levied against any parcel used for private residential

purposes be increased as a consequence of delinquency or default by owner of any other parcel or parcels within the District by more than 10% in any fiscal year. Thus, the Services District may not be able to increase Special Tax levies in future fiscal years by enough to make up for delinquencies for prior fiscal years. This would result in draws on the Reserve Fund, and if delinquencies continue and in the aggregate exceed the Reserve Fund balance, defaults would occur in the payment of principal and interest on the Bonds.

Moreover, the District does not participate in the County's Teeter Plan. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *No Teeter Plan*."

Although the Services District has covenanted in the Fiscal Agent Agreement to commence and diligently pursue foreclosure under the circumstances described under the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales,*" foreclosure delays may occur under the circumstances described under the caption "RISK FACTORS — Bankruptcy and Foreclosure." Delinquencies may result as a consequence of many factors. See "RISK FACTORS," generally, for discussions of certain potential causes of delinquencies.

Concentration of Ownership

Based on the ownership status of the property within the District as of January 15, 2017, assuming no additional sales within the District, approximately 14.29% of the Special Taxes levied in Fiscal Year 2017-18 would be payable by the Developer. Until the completion and sale of the remaining 33 units within the District owned by the Developer as of January 15, 2017 to individual homeowners, the receipt of the Special Taxes is dependent in part on the willingness and the ability of the Developer to pay the Special Taxes when due. Failure of the Developer, or any successor(s), to pay the annual Special Taxes when due could contribute to a draw on the Reserve Fund and insufficient Special Taxes to pay debt service on the Bonds when due. No assurance can be given that the Developer, or its successors, will complete the remaining intended construction and development in the District.

Natural Disasters

The District, like all California communities, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads, bridges and property within the District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. The District is not located within an identified earthquake study zone. No known active earthquake faults cross the District and the near nearest active earthquake fault to the District is the Chino strand of the Elsinore Fault, located approximately 5.5 miles to the west of the District.

The District is not currently located within a known Federal Emergency Management Agency ("FEMA") floodplain, although a portion of the property was previously designated by FEMA as being within a floodplain. However, the basin of the Santa Ana River is located near the southern border of the District.

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

Methane Gas

Like much of the property within the City of Eastvale and surrounding areas, the property within the District has previously been utilized as a partially operational dairy and agricultural field. A methane investigation report was prepared by Carlin Environmental Consulting, Inc. ("CEC") dated December 12, 2012

(the "Methane Report") for Tract 34014, in accordance with the County's protocols for development in areas that may have had uses related to livestock and/or dairy operations in the past, such as the property within the District. The Methane Report determined that six lots within the District required maximum methane mitigation, nine lots within the District required medium methane mitigation, and 95 lots within the District required minimum methane mitigation. See page 28 of the Appraisal Report under "Methane Issues" for a further description of the Methane Report and its recommendations. The Appraisal Report assumes that all required methane mitigation was performed as recommended during construction. The Developer represents that it has performed all of the methane gas mitigation required for construction within the District. See APPENDIX B-1 — "APPRAISAL REPORT — Subject Property Description – Methane Issues" for a description of methane mitigation taken during construction within the District.

Hazardous Substances

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

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

The value of the taxable property within the District, as set forth in the various tables in the Official Statement, does not reflect the presence of any hazardous substance or the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the property. The District has not independently verified, but is not aware, that any owner (or operator) of any of the parcels within the District has such a current liability with respect to any such parcel. The Developer represents that it is not aware of any hazardous substances located on its property within the District in violation of any state or federal law. However, it is possible that such liabilities do currently exist and that the District is not aware of them.

Parity Taxes and Special Assessments

Property within the District is subject to taxes imposed by public agencies also having jurisdiction over the land within the District. See "THE DISTRICT — Estimated Direct and Overlapping Indebtedness."

The Special Taxes and any related penalties will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special taxes and special assessments levied by the Services District and other agencies and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property except, possibly, for liens

or security interests held by the Federal Deposit Insurance Corporation. See "RISK FACTORS — Bankruptcy and Foreclosure" below.

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

Disclosures to Future Purchasers

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

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

Non-Cash Payments of Special Taxes

Under the Act, the Board of Directors as the legislative body of 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 related interest or penalties. 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 Taxes applicable thereto by tendering a Bond. Such a practice would decrease the cash flow available to the Services District to make payments with respect to other Bonds then outstanding; and, unless the practice was limited by the Services District, the Special Taxes paid in cash could be insufficient to pay the debt service due with respect to such other 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 Special Taxes, the Fiscal Agent Agreement includes a covenant pursuant to which the Services District will not authorize owners of taxable parcels to satisfy Special Tax obligations by the tender of Bonds unless the Services District shall have first obtained a report of an Independent Financial Consultant certifying that doing so would not result in the Services District having insufficient 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 taxable parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation which is secured only by a lien against the taxable parcel. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the Special Tax, the District has no recourse against the owner.

Land Values

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

The Appraiser has estimated, on the basis of certain definitions, assumptions and limiting conditions contained in the Appraisal Report that, as of November 15, 2016, the market value of the property within the District was $88,862,485. The Appraiser has provided the District with a Supplement to the Appraisal Report concluding that, as of January 3, 2017, the minimum market value of the taxable property within the District was not less than the value set forth in the Appraisal Report. See APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT." The Appraisal Report does not reflect any possible negative impact which could occur by reason of the presence of hazardous substances or other adverse soil conditions within the District or other similar conditions. See "THE DISTRICT — Appraisal Report," APPENDIX B-1 — "APPRAISAL REPORT" and APPENDIX B-2 — "SUPPLEMENT TO APPRAISAL REPORT."

The Appraisal Report indicates the Appraiser's opinion as to the minimum market value of the individually owned property as of the date of the Appraisal Report, subject to the conditions prevailing in the applicable market as of the date of value. The Appraiser's opinion does not predict the future value of the subject property, and there can be no assurance that market conditions will not change adversely in the future.

Prospective purchasers of the Bonds should not assume that the property within the District could be sold for the appraised amount at a foreclosure sale for delinquent Special Taxes. In arriving at the estimate of market value, the Appraiser assumes that any sale will be unaffected by undue stimulus and will occur following a reasonable marketing period, which is not always present in a foreclosure sale. See APPENDIX B-1 for a description of other assumptions made by the Appraiser and for the definitions and limiting conditions used by the Appraiser. Any event which causes one of the Appraiser's assumptions to be untrue could result in a reduction of the value of the land within the District from that estimated by the Appraiser.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*."

FDIC/Federal Government Interests in Properties

The ability of the Services District to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to parcels in which the FDIC, or other federal government entities such as Fannie Mae or Freddie Mac, has or obtains an interest.

In the case of FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Special Tax is not paid, the remedies available to the Services District may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against Orange County in United States Bankruptcy Court and in Federal District Court. The Bankruptcy Court issued a ruling in favor of the FDIC on certain of such claims. Orange County appealed that ruling, and the FDIC cross-appealed. On August 28, 2001, the Ninth Circuit Court of Appeals issued a ruling favorable to the FDIC except with respect to the payment of pre-receivership liens based upon delinquent property tax.

The Services District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

In the case of Fannie Mae and Freddie Mac, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution "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, anything in the Constitution or Laws of any State to the contrary notwithstanding." In the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the Services 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. For a discussion of risks associated with taxable parcels within the District becoming owned by the federal government, federal government entities or federal government sponsored entities, see "— Insufficiency of Special Taxes."

The Services District's remedies may also be limited in the case of delinquent Special Taxes with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

Bankruptcy and Foreclosure

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

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

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

Moreover, the ability of the Services District to commence and prosecute enforcement proceedings may be limited by bankruptcy, insolvency and other laws generally affecting creditors' rights (such as the Soldiers' and Sailors' Relief Act of 1940) and by the laws of the State relating to judicial foreclosure.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the Bonds or the Fiscal Agent Agreement or in the event interest on the Bonds becomes included in gross income for federal income tax purposes. See "— Limitations on Remedies" below.

Loss of Tax Exemption

As discussed under the caption "LEGAL MATTERS — Tax Exemption," the interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of a failure of the Services District to comply with certain provisions of the Internal Revenue Code of 1986, as amended. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the redemption provisions of the Fiscal Agent Agreement.

Limitations on Remedies

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

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Fiscal Agent Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of

creditors' rights, by equitable principles and by the exercise of judicial discretion. 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 Bonds.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the District and the Developer have each committed to provide certain financial and operating information on a semi-annual basis, there can be no assurance that such information will be available to Bondowners on a timely basis. See "CONTINUING DISCLOSURE." The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Proposition 218

An initiative measure commonly referred to as the "Right to Vote on Taxes Act" (the "Initiative") was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Article XIII C and Article XIII D to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." The provisions of the Initiative have not yet been interpreted by the courts, although several lawsuits have been filed requesting the courts to interpret various aspects of the Initiative. The Initiative could potentially impact the Special Taxes available to the District to pay the principal of and interest on the Bonds as described below.

Among other things, Section 3 of Article XIII 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 rates and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

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

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

It may be possible, however, for voters or the Board of Directors acting as the legislative body of the District to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the Bonds. Therefore, no assurance

can be given with respect to the levy of Special Taxes for Administrative Expenses. Nevertheless, to the maximum extent that the law permits it to do so, the Services District has covenanted that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates. In connection with the foregoing covenant, the Board of Directors has made a legislative finding and determination that any elimination or reduction of Special Taxes below the foregoing level would interfere with the timely retirement of the Bonds. The Services District also has covenanted that, in the event an initiative is adopted which purports to alter the Rates and Method, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

With respect to the approval of the Special Taxes, on August 1, 2014, the California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997) (the "San Diego Decision"). The case involved a Convention Center Facilities District (the "CCFD") established by the City of San Diego (the "City"). The CCFD is a financing district much like a community facilities district established under the provisions of the Act. The CCFD is comprised of all of the real property in the entire City. However, the special tax to be levied within the CCFD was to be levied only on hotel properties located within the CCFD.

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

The facts of the San Diego Decision show that there were thousands of registered voters within the CCFD (viz., all of the registered voters in the City). The election held in the District had no registered voters within the District at the time of the election to authorize the Special Tax. In the San Diego Decision, the Court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the Court's holding does not apply to the Special Tax election in the District. Moreover, Section 53341 of the Act provides that any "action or proceeding to attack, review, set aside, void or annul the levy of a special tax…shall be commenced within 30 days after the special tax is approved by the voters." Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds. Voters within the District approved the Special Tax and the issuance of bonds on March 15, 2011. Based on Sections 53341 and 53359 of the Act and analysis of existing laws, regulations, rulings and court decisions, Bond Counsel is of the opinion that the Special Tax has been authorized in accordance with applicable law and is being levied in accordance with the Rates and Method may now be brought.

The interpretation and application of the Initiative will continue to be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See "RISK FACTORS — Limitations on Remedies."

Ballot Initiatives

Article XIII A, XIII B, XIII C and XIII D were adopted pursuant to measures qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. On March 6, 1995 in the case of Rossi v. Brown, the State Supreme Court held that an initiative can

repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the Services District, or local districts to increase revenues or to increase appropriations.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Agreement (the "District Continuing Disclosure Agreement") with Digital Assurance Certification, L.L.C., as disclosure dissemination agent, the Services District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org, on a semi-annual and annual basis certain financial information and operating data concerning the District. The Services District has further agreed to provide notice to EMMA of certain listed events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 adopted by the SEC. The inclusion of this information does not mean that the Bonds are secured by any resources or property of the Services District. See "SOURCES OF PAYMENT FOR THE BONDS" and "RISK FACTORS — Limited Obligations."

In the past five years, the Services District failed to provide significant event notices with respect to changes in the ratings of outstanding indebtedness, primarily related to changes in the ratings of various bond insurers insuring the indebtedness of the Services District or related entities.

Other than as described above, the Services District has not failed to comply in any material respect with any previous undertakings with regard to Rule 15c2-12 to provide annual reports, semi-annual reports or notices of listed events in the last five years.

LEGAL MATTERS

Tax Exemption

In the opinion of Best Best & Krieger LLP, Riverside, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that interest on the Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. Bond Counsel further notes, however, that, with respect to corporations, such interest may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest on the Bonds is based upon certain representations of fact and certifications made by the Services District, the Underwriter and others and is subject to the condition that the Services 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 Bonds to assure that interest on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Services District has covenanted to comply with all such requirements.

Should the interest on the Bonds become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption as a result of such occurrence and will remain outstanding until maturity or until otherwise redeemed in accordance with the Fiscal Agent Agreement.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to

be subject to or exempted from state income taxation, or otherwise prevent Bond Owners from realizing the full current benefit of the tax status of such interest. Legislative proposals are announced from time to time which generally would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Bond Counsel's opinion may be affected by action taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds. Bond Counsel has not undertaken to determine, or to inform any person, whether any such action or events are taken or do occur, or whether such actions or events may adversely affect the value or tax treatment of a Bond, and Bond Counsel expresses no opinion with respect thereto.

The Internal Revenue Service (the "IRS") has initiated an expanded program for auditing tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit (or by an audit of similar bonds).

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes provided the Services District continues to comply with certain requirements of the Code, the accrual or receipt of interest on the Bonds may otherwise affect the tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status and other items of income or deductions. Bond Counsel expresses no opinion regarding any such consequences. Accordingly, all potential purchasers should consult their tax advisors before purchasing any of the Bonds.

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

Legal Opinion

The legal opinion of Best Best & Krieger LLP, Riverside, California, approving the validity of the Bonds in substantially the form set forth as Appendix F, will be made available to purchasers at the time of original delivery. A copy of the legal opinion for the Bonds will be provided with each definitive bond. Certain legal matters will be passed upon for the Services District and the District by Best Best & Krieger LLP, Riverside, California, as counsel to the Services District, and for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as counsel to the Underwriter.

Litigation

No litigation is pending or threatened concerning the validity of the Bonds, the pledge of Special Taxes to repay the Bonds, the powers or authority of the Services District with respect to the Bonds, or seeking to restrain or enjoin development of the land within the District and a certificate of the Services District to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds.

No Rating

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

Underwriting

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of $8,110,749.36 (being $8,315,000 aggregate principal amount thereof, less Underwriter's discount of $132,433.64 and less net original issue discount of $71,817.00). The purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in such purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower or yields greater than the offering prices or yields stated on the inside cover page of the Official Statement. The offering prices or yields may be changed from time to time by the Underwriter.

Financial Interests

The fees being paid to the Underwriter and Underwriter's Counsel are contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Bonds.

Pending Legislation

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

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions.

The execution and delivery of this Official Statement by the General Manager of the Services District has been duly authorized by the Board of Directors acting in its capacity as the legislative body of the District.

JURUPA COMMUNITY SERVICES DISTRICT
ON BEHALF OF COMMUNITY FACILITIES
DISTRICT NO. 47 OF JURUPA COMMUNITY
SERVICES DISTRICT

By: /s/ Todd Corbin
General Manager

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APPENDIX A

RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 47 (EASTVALE AREA) OF JURUPA COMMUNITY SERVICES DISTRICT

A Special Tax shall be applicable to each Parcel of Taxable Property located within the boundaries of Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District ("CFD No. 47"). The amount of Special Tax to be levied on a Parcel of Taxable Property in any Fiscal Year shall be determined by the Board of Directors of Jurupa Community Services District (hereinafter the "District") acting in its capacity as the legislative body of CFD No. 47 (hereinafter the "Board of Directors"), as provided in Sections B, C and D. All of the Taxable Property in CFD No. 47 shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means all ordinary and necessary costs and expenses of the District in administering CFD No. 47, as allowed by the Act, which shall include, without limitation, all costs and expenses arising out of or resulting from the annual levy and collection of the Special Tax and payment of debt service on the outstanding bonds of CFD No. 47, any litigation involving CFD No. 47, continuing disclosure undertakings of the District as imposed by applicable laws and regulations, communication with bondholders and normal administrative expenses (including any District overhead and salaries).

"Administrator" means the General Manager of the District, or his/her designee.

"Alternative Special Tax Rate" means with respect to Parcels of Developed Property in Zone A in the amount of $3,410 per Parcel, or Parcels of Developed Property in Zone B in the amount of $3,625 per Parcel, or an amount determined pursuant to Section I, if applicable.

"Assessor's Parcel Map" means an official map of the Assessor of the County of Riverside designating parcels by Assessor's Parcel Numbers.

"Assessor's Parcel Number" means that identification number assigned to a parcel by the County Assessor of the County.

"Benefit Unit(s)" means (a) prior to the construction of a residential dwelling unit on a Parcel, a residential dwelling unit shown on a subdivision map, parcel map, condominium plan, lot line adjustment or any other similar map which subdivides (or creates) such Parcels, which has been approved by the City or the County or a single family residential lot created by the recording of a final subdivision map, parcel map, condominium plan, lot line adjustment or any other similar map which subdivides (or creates) such Parcels in the official records of the City or the County, or (b) after a residential dwelling unit has been constructed on a Parcel, each separate residential dwelling unit located on the Parcel.

"Board of Directors" means the Board of Directors of the District.

"Boundary Map" means a recorded map of the CFD which indicates by a boundary line the extent of the territory identified to be subject to the levy of Special Taxes.

"CFD No. 47" means Community Facilities District No. 47 (Eastvale Area) of the District.

"Church Property" means all property which, as of March 1 preceding the Fiscal Year for which the Special Tax is being levied, has been developed or has been approved by the County or the City for development for use as a church sanctuary, synagogue or other such place of worship, which may or may not include associated buildings which are to be used for religious educational purposes, and which is exempt from taxation pursuant to Section 214 of the Revenue and Taxation Code of the State of California.

"Condominium Plan" means a condominium plan as set forth in the California Civil Code, Section 1352.

"Condominium Unit" means a unit meeting the statutory definition of a condominium contained in the California Civil Code, Section 1351, and for which a condominium plan has been recorded pursuant to California Civil Code, Section 1352.

"City" means the City of Eastvale, California.

"Contingency Reserve" means a reserve to be established, replenished and maintained for the District in an amount equal to ten percent (10%) of the estimated costs of providing the Services for any Fiscal Year to provide for the payment of unexpected costs which may be incurred in the Fiscal Year.

"County" means the County of Riverside, California.

"Debt Service and Facilities Special Tax Requirement" means the amount required in any Fiscal Year after taking into consideration available funds pursuant to the bond indenture: (i) to pay principal of and interest on all outstanding bonds of CFD No. 47, (ii) to pay Administrative Expenses attributable to such bonds and the levy and collection of the Special Taxes, (iii) to pay costs of credit enhancement for such bonds and any amount required to be rebated to the United States with respect to such bonds, (iv) to replenish the reserve fund for such bonds, and (v) to provide any amounts which the Board of Directors determines are necessary to pay the costs of the provision, construction and acquisition of the Facilities and/or to accumulate funds therefor.

"Developed Property" means, for each Fiscal Year, (i) for purposes of the levy of Special Taxes to satisfy the Debt Service and Facilities Special Tax Requirement, all Parcels of Residential Property and Non-Residential Property for which, as of March 1 preceding the Fiscal Year for which the Special Tax is being levied, a building permit has been issued that allows residential dwelling units or non-residential buildings to be constructed, or (ii) for purposes of the levy of Special Taxes to satisfy the O & M Special Tax Requirement, all Parcels for which, as of March 1 preceding the Fiscal Year for which the Special Tax is being levied, there has been recorded in the official records of the County or the City a subdivision map, parcel map, condominium plan, lot line adjustment or any other similar map which subdivides (or creates) such Parcels so that building permits can be issued for construction of one or more residential dwelling units or non-residential buildings thereon.

"District" means Jurupa Community Services District.

"Exempt Property" means property that is exempt from the levy of the Special Tax pursuant to the Act or Section E below.

"Facilities" means: (a) water system facilities, including capacity in existing facilities, and sewer system facilities, including capacity in existing facilities and sewage treatment and disposal capacity, of the District, (b) Parks and Park Improvements, (c) public facilities of the City, (d) public facilities of the Corona-Norco Unified School District and (e) any other improvements or facilities designated by the District, with an estimated useful life of five (5) years or longer, which are eligible for financing under the Act.

"Fiscal Year" means the period from and including July 1 of any year to and including the following June 30.

"Landscape" means landscape, including turf, trees, shrubs, bushes, and other cultivated vegetation that is planted and growing in, associated irrigation system facilities that are located in, and hardscape that is located in publicly-owned street rights-of-way, parkways and open-space areas.

"Land Use Regulations" means the General Plan, Community Plan, Zoning Ordinance, any Specific Plan, and any other applicable land use regulations of the County or the City, or any successor agency.

"Maximum Special Tax for Debt Service and Facilities" means the maximum amount of Special Tax, determined pursuant to Section C that can be levied by the Board of Directors in any Fiscal Year on a Parcel of Taxable Property to satisfy the Debt Service and Facilities Special Tax Requirement.

"Maximum Special Tax for O & M" means the maximum amount of Special Tax, determined pursuant to Section C that can be levied by the Board of Directors in any Fiscal Year on a Parcel of Taxable Property to satisfy the O & M Special Tax Requirement. The Maximum Special Tax for O & M shall be increased annually by the percentage increase in the Consumer Price Index (All Items) for Los Angeles – Riverside – Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or by two percent (2%), whichever is greater, on July 1, 2015 for Fiscal Year 2015-16 and on each subsequent July 1 for the Fiscal Year then commencing.

"Net Acre or Acreage" means the land area of a Parcel as shown on an Assessor's Parcel Map, or if the land area of a Parcel is not shown on such a map, the land area shown on or calculated based on the applicable recorded final map, recorded parcel map or other recorded County parcel map.

"Non-Residential Property" means (i) for purposes of the levy of Special Taxes to satisfy the Debt Service and Facilities Special Tax Requirement, all Parcels of Developed Property for which a building permit has been issued for the purpose of constructing a non-residential building or upon which such a building has been constructed, or (ii) for purposes of the levy of Special Taxes to satisfy the O & M Special Tax Requirement, all Parcels for which, as of March 1 preceding the Fiscal Year for which the Special Tax is being levied, there has been recorded in the official records of the County or the City a subdivision map, parcel map, lot line adjustment or any other similar map which subdivides (or creates) such Parcels so that building permits can be issued for construction of one or more non-residential buildings thereon.

"O & M Special Tax Requirement" means the amount, after taking into consideration available funds, required in any Fiscal Year to pay: (i) costs related to the ongoing Operation and Maintenance, (ii) Administrative Expenses attributable to said ongoing Operation and Maintenance, and (iii) the amount required to fund or replenish the Contingent Reserve, as determined by the District.

"Operation and Maintenance" or "O & M" means the operation and maintenance of Parks and Park Improvements and Landscape.

"Parcel" means a lot or parcel which, or any portion of which, is located within the boundaries of CFD No. 47 and which is shown on the then current applicable Assessor's Parcel Map(s) with an assigned Assessor's Parcel Number.

"Park and Open Space Property" means all property that, as of March 1 of the Fiscal Year preceding the Fiscal Year for which the Special Tax is being levied, has been developed or has been approved by the County or the City for development for active park or open space uses, conveyed to and controlled by a public agency, as specified in the Land Use Regulations.

"Parks and Park Improvements" means parks and park and recreation improvements that are to be developed, constructed and installed to be owned and operated by the District.

"Property Owners' Association Property" means all property that, as of March 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed, dedicated or irrevocably offered for dedication to a property owners' association for recreational or open-space use, as specified in the Land Use Regulations.

"Public School Property" means all property that, as of March 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed, dedicated, or irrevocably offered for dedication or leased for a term of ten (10) years or more to a public agency for the purpose of providing public school facilities, as specified in the Land Use Regulations, and that is exempt from general ad valorem taxation.

"Residential Property" means for each Fiscal Year, (i) for the purpose of the levy of Special Taxes to satisfy the Debt Service and Facilities Special Tax Requirement, all Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units or upon which a residential dwelling unit has been constructed, or (ii) for purposes of the levy of Special Taxes to satisfy the O & M Special Tax Requirement, all Parcels for which, as of March 1 preceding the Fiscal Year for which the Special Tax is being levied, there has been recorded in the official records of the County or the City a subdivision map, parcel map, condominium plan, lot line adjustment or any other similar map which subdivides (or creates) such Parcels so that building permits can be issued for construction of one or more residential dwelling units thereon.

"Residential Floor Area" means all of the square footage of living area of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio or similar area, on a Parcel. The determination of Residential Floor Area shall be made by reference to the building permit(s) for the Parcel.

"Special Tax(es)" means the Special Tax to be levied, in each Fiscal Year, on all Parcels of Taxable Property in CFD No. 47, pursuant to Sections B, C and D, to fund both the Debt Service and Facilities Special Tax Requirement and the O & M Special Tax Requirement.

"Table 1" means Table 1 contained in Section C.

"Table 2" means Table 2 contained in Section C.

"Taxable Property" means all Parcels that are not exempt from the levy of Special Taxes pursuant to the Act or Section E.

"Undeveloped Property" means all Parcels of Taxable Property that are not categorized as Developed Property.

"Zone(s)" means Zone A or Zone B as geographically identified on the Boundary Map of the CFD.

"Zone A" means all property located within the specific area identified as Zone A on the Boundary Map of the CFD.

"Zone B" means all property located within the specific area identified as Zone B on the Boundary Map of the CFD.

B. ASSIGNMENT TO DEVELOPMENT CATEGORIES AND RESIDENTIAL SIZE CLASSIFICATIONS

For each Fiscal Year, commencing with the Fiscal Year that begins in the calendar year in which the Board of Directors determines that the levy of the Special Taxes shall commence, each Parcel of Taxable Property shall be categorized as either Developed Property or Undeveloped Property. Parcels of Developed Property shall further be categorized as Residential Property or Non-Residential Property.

For the purpose of the levy of Special Taxes to satisfy the Debt Service and Facilities Special Tax Requirement, all Parcels of Residential Property shall be assigned to the applicable land use classification set forth in Tables 1 and 2, based on the Residential Floor Area of the residential structure located on or to be constructed on the Parcel.

If Condominium Units in a Condominium Plan that was recorded as of the March 1 preceding the Fiscal Year for which the Special Tax is being levied have not yet been identified as a Parcel on an Assessor's Parcel Map, each Condominium Unit shall be treated as a Parcel and classified independently of the other. Furthermore, if Condominium Plans for less than all of the Condominium Units to be located on such Parcel have not been recorded as of the March 1 preceding the Fiscal Year for which the Special Tax is being levied, as determined from the Condominium Plans which have been recorded by such date, then a portion of such Parcel shall be classified as Undeveloped Property. The portion to be classified as Undeveloped Property shall be computed by multiplying the Acreage for such Parcel by a fraction, the numerator of which is equal to the number of Condominium Units for which a Condominium Plan has not been recorded as of the March 1 preceding the Fiscal Year for which the Special Tax is being levied and the denominator of which is equal to the total number of Condominium Units to be located on such Parcel.

Determinations of the appropriate development category for each Parcel and the residential size classification for each Parcel of Residential Property shall be made by the Administrator, and shall be based upon a review of the Land Use Regulations and the building permit(s) applicable to each Parcel. All Parcels of Taxable Property shall be subject to the levy of the Special Tax based on the Maximum Special Tax for Debt Service and Facilities, determined as provided in Section C, and in accordance with the method of apportionment set forth in Section D.

For the purpose of the levy of Special Taxes to satisfy the O & M Special Tax Requirement all Parcels of Residential Property shall be assigned the applicable number of Benefit Units as determined by the Administrator. All Parcels of Taxable Property shall be subject to the levy of the Special Tax based on the Maximum Special Tax for O & M, determined as provided in Section C, and in accordance with the method of apportionment set forth in Section D.

C. MAXIMUM SPECIAL TAX

1. The Maximum Special Tax for Debt Service and Facilities for a Parcel of Developed Property categorized as Residential Property shall be the greater of: (i) the applicable amount set forth in Tables 1 and 2 or (ii) the Alternative Special Tax Rate. The Maximum Special Tax for Debt Service and Facilities for a Parcel of Developed Property categorized as Non-Residential Property shall be the amount determined by multiplying the Net Acreage of the Parcel by the amount set forth in Tables 1 and 2. The Maximum Special Tax for Debt Service and Facilities for a Parcel of Undeveloped Property shall be the amount determined by multiplying the Net Acreage of the Parcel by $42,043 per Net Acre in Zone A and by $38,189 per Net Acre in Zone B.

Table 1
Special Tax Amounts for Debt Service and Facilities
for Developed Property in Zone A
CFD No. 47

Taxable Property	Land Use Classification (Residential Floor Area)	Special Tax for Debt Service and Facilities
Residential Property	Less than 1,901 SF	$3,306 per Parcel
Residential Property	1,901 SF to 2,100 SF	$3,434 per Parcel
Residential Property	Over 2,100 SF	$3,470 per Parcel
Non-Residential Property	NA	$42,043 per Net Acre

Table 2
Special Tax Amounts for Debt Service and Facilities
for Developed Property in Zone B
CFD No. 47

Taxable Property	Land Use Classification (Residential Floor Area)	Special Tax for Debt Service and Facilities
Residential Property	Less than 2,201 SF	$3,507 per Parcel
Residential Property	2,201 SF to 2,400 SF	$3,570 per Parcel
Residential Property	2,401 SF to 2,600 SF	$3,661 per Parcel
Residential Property	Over 2,600 SF	$3,734 per Parcel
Non-Residential Property	NA	$38,189 per Net Acre

The abbreviation "SF" in Tables 1 and 2 signifies square footage and the SF numbers in Tables 1 and 2 are Residential Floor Areas of residential structures.

2. For purposes of determining the applicable Maximum Special Tax for O & M for Parcels of Developed Property which are classified as Residential Property, all such Parcels shall be assigned the number of Benefit Unit(s) constructed or to be constructed there on as specified in or shown on the building permit(s) issued or as shown on a tentative subdivision map, parcel map, condominium plan, lot line adjustment or any other similar map as determined by the Administrator. Once a single family attached or multi-family building or buildings have been built on a Parcel, the Administrator shall determine the actual number of Benefit Units contained within the building or buildings, and the Special Tax levied against the Parcel in the next Fiscal Year shall be calculated by multiplying the actual number of Benefit Units by the Maximum Special Tax per Benefit Unit identified in Table 3 below. The Maximum Special Tax for O & M for a Parcel of Developed Property categorized as Non-Residential Property shall be the amount determined by multiplying the Net Acreage of the Parcel by $9,505 per Net Acre for Zone A and $8,121 per Net Acre for Zone B for Fiscal Year 2014-15.

Table 3
Special Tax Amounts for O & M for Developed Property
CFD No. 47

Land Use Classification	Maximum Special Tax for O & M (Fiscal Yr. 2014-15)
Residential Property	$771 per Benefit Unit
Non-Residential Property (Zone A)	$9,505 per Net Acre
Non-Residential Property (Zone B)	$8,121 per Net Acre

The Maximum Special Tax for O & M for Fiscal Year 2014-15 for Parcels of Developed Property shall be the amounts set forth in Table 3. The Maximum Special Tax for O & M for Fiscal Year 2014-15 for Parcels of Undeveloped Property shall be $9,505 per Net Acre in Zone A and $8,121 per Net Acre in Zone B.

The Maximum Special Tax for O & M for all Parcels of Developed Property and Undeveloped Property shall be increased annually by the percentage increase in the Consumer Price Index (All Items) for Los Angeles – Riverside – Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or by two percent (2%), whichever is greater, on July 1, 2015 for Fiscal Year 2015-16 and on each subsequent July 1 for the Fiscal Year then commencing.

In accordance with Section 53321(d) of the Government Code of the State of California, the Maximum Special Tax for Debt Service and Facilities for each Parcel "used for private residential purposes," as defined therein, shall be calculated and thereby established by the date on which the Parcel is first subject to the Special Tax. Under no circumstances will the Special Tax levied in any Fiscal Year on any parcel used for private residential purposes be increased as a consequence of delinquency or default in the payment of Special Taxes by the owner or owners of any other Parcel or Parcels by more than ten percent (10%) above the amount of the Special Tax that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

D. METHOD OF APPORTIONMENT AND LEVY OF THE SPECIAL TAX

1. Special Tax

Commencing with the Fiscal Year in which the Board of Directors determines that the levy of Special Taxes shall commence, and for each subsequent Fiscal Year, the Board of Directors shall determine the total amount of Special Taxes to be levied and collected in that Fiscal Year in order to satisfy the Debt Service and Facilities Special Tax Requirement and the O & M Special Tax Requirement for such Fiscal Year. The Board of Directors shall levy the Special Tax on all Parcels of Taxable Property in the following priority until it has levied the amount necessary to satisfy both the Debt Service and Facilities Special Tax Requirement and the O & M Special Tax Requirement for the Fiscal Year as follows:

(a) Debt Service and Facilities Special Tax Requirement.

(1) First: The Special Tax shall be levied on all Parcels of Developed Property in equal percentages up to 100% of the applicable Special Tax amount set forth in Table 1 and 2; and

(2) Second: If additional funds are needed, the Special Tax shall be levied on all Parcels of Undeveloped Property in equal percentages up to 100% of the Maximum Special Tax for Debt Service and Facilities for Undeveloped Property; and

(3) Third: If additional funds are needed, the Special Tax shall be levied on all Parcels of Developed Property classified as Residential Property for which the Maximum Special Tax for Debt Service and Facilities is determined by application of the Alternative Special Tax Rate in equal percentages up to 100% of such Maximum Special Tax for Debt Service and Facilities.

No Special Tax shall be levied on Parcels of Undeveloped Property in CFD No. 47 to provide any amounts which the Board of Directors determines are necessary to pay the costs of the provision, construction and acquisition of the Facilities and/or to accumulate funds therefor, as described in clause (5) of the definition of Debt Service and Facilities Special Tax Requirement.

(b) O & M Special Tax Requirement.

(1) First: The Special Tax shall be levied on all Parcels of Developed Property in equal percentages up to 100% of Maximum Special Tax for O & M as set forth in Table 3; and

(2) Second: If additional funds are needed, the Special Tax shall be levied on all Parcels of Undeveloped Property in equal percentages up to 100% of Maximum Special Tax for O & M as set forth in Table 3.

E. EXEMPTIONS

The Administrator shall classify as Exempt Property Assessor's Parcels within CFD No. 47 of (i) Property that lies within dedications for public streets or publicly owned surface drainage channels, (ii) Property Owners'

Association Property, (iii) Public School Property, (iv) Park and Open Space Property or (v) Church Property; provided that such classification shall not reduce the Net Acreage of all Taxable Property within CFD No. 47 to less than 6.49 Net Acres in Zone A and 16.03 Net Acres in Zone B. The Administrator shall not classify an Assessor's Parcel of Property that lies within dedications for public streets or publicly owned surface drainage channels, Property Owners' Association Property, Public School Property, Park and Open Space Property or Church Property as Exempt Property if such classification would reduce the Acreage of all Assessor's Parcels of Taxable Property to less than 6.49 Net Acres in Zone A and 16.03 Net Acres in Zone B. Such Assessor's Parcels that cannot be classified as Exempt Property because such classification would reduce the Acreage of all Assessor's Parcels of Taxable Property to less than 6.49 Net Acres in Zone A and 16.03 Net Acres in Zone B will be subject to the Special Tax as either Developed Property or Undeveloped Property as provided in Sections B, C and D, unless the obligation to pay the Special Tax for any such Parcel is prepaid pursuant to Section H. The Administrator shall classify such Assessor's Parcels as Exempt Property in Zone A or Zone B in the chronological order in which property becomes Property that lies within dedications for public streets or publicly owned surface drainage channels, Property Owners' Association Property, Public School Property, Park and Open Space Property or Church Property.

The Special Tax related to the O & M Special Tax Requirement shall not be levied upon any Parcels of Exempt Property described in items (i) through (v) above.

F. MANNER OF COLLECTION

The Special Taxes shall be collected in the same manner and at the same time as ad valorem property taxes and shall be subject to the same penalties, and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem taxes; provided, however, that the District may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 47.

G. DURATION OF SPECIAL TAX LEVIES

Pursuant to Section 53321(d) of the Government Code of the State of California, the tax year after which no further Special Tax shall be levied or collected with respect to any Parcel to satisfy the Debt Service and Facilities Special Tax Requirement shall be Fiscal Year 2058-59.

All Parcels of Taxable Property shall continue to be subject to the levy and collection of the Special Tax to satisfy the O & M Special Tax Requirement for the purpose of operating and maintaining the Parks and Park Improvements and Landscape.

H. PREPAYMENT

As used in this Section H, the terms in quotes have the meanings given to them below:

"CFD Facilities Amount" means the amount of $8,180,000 expressed in 2014 dollars, which shall increase on January 1, 2015 and on each January 1 thereafter, by the percentage increase in Construction Index since the preceding January 1, or such lesser amount (i) as shall be determined by the Administrator to be sufficient to provide for the construction and acquisition of all of the public facilities, or (ii) as shall be determined by the Board of Directors at the time of the adoption of a covenant that CFD No. 47 will not issue any additional bonds.

"Construction Fund" means a fund or account established by the Indenture to hold funds which are to be used to pay costs associated with the construction and acquisition of public facilities for CFD No. 47.

"Construction Index" means the Engineering News-Record Building Cost Index for the City of Los Angeles. If this index ceases to be published, the Construction Index shall be another index which is determined by the Administrator to be reasonably comparable to such index.

"Exempt Property" means property that is exempt from the levy of the Special Tax pursuant to Section E.

"Future Facilities Costs" means the amount determined by subtracting from the CFD Facilities Amount (i) the amount available in the Construction Fund, (ii) the amount previously disbursed from the Construction Fund, to pay the costs of the Facilities, (iii) the amount of Special Taxes previously collected that have been used or are available to pay for the costs of the Facilities, and (iv) the estimated amount of income that will be earned from the investment of such available amount prior to the date upon which the prepayment is to be made.

"Indenture" means the bond indenture, fiscal agent agreement or resolution pursuant to which the bonds of CFD No. 47 are issued and which establishes a construction or improvement fund into which proceeds of the sale of the bonds are deposited to pay for the construction and acquisition of public facilities for CFD No. 47.

"Outstanding Bonds" means all bonds of CFD No. 47 that have been issued and which will remain outstanding after the first date following the current Fiscal Year on which interest on or interest on and principal of such bonds will be paid, excluding bonds to be redeemed on a later date with Prepayment Amounts (as defined below) for other Parcels for which the Special Tax Obligation for Debt Service and Facilities has been prepaid.

"Special Tax Obligation for Debt Service and Facilities" means the total amount of Special Taxes which could be levied on a Parcel based on the Maximum Special Tax for Debt Service and Facilities for the Parcel through the date of final maturity of the Outstanding Bonds.

1. Prepayment in Full

The Special Tax Obligation for Debt Service and Facilities may only be prepaid and permanently satisfied for a Parcel of Developed Property, a Parcel of Undeveloped Property for which a building permit has been issued, or a Parcel of Church Property, Park and Open Space Property, Property Owners' Association Property or Public School Property that is not Exempt Property. The Special Tax Obligation for Debt Service and Facilities for a Parcel may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to the Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax Obligation for Debt Service and Facilities for the Parcel shall provide the Administrator with written notice of the owner's intent to prepay, and within fifteen (15) days of receipt of such notice, the Administrator shall notify such owner of the amount of a non-refundable deposit to cover the cost to be incurred by the District and CFD No. 47 in determining the Prepayment Amount for the Parcel. Within thirty (30) days of receipt of such non-refundable deposit, the Administrator shall notify the owner of the Prepayment Amount for the Parcel. Prepayment must be made not later than sixty (60) days prior to any redemption date for any bonds which will be redeemed with the Prepayment Amount.

The Prepayment Amount shall be calculated as follows (Except as provided above, capitalized terms have the meanings given below.):

Bond Redemption Amount	
plus	Redemption Premium
plus	Prepaid Facilities Amount
plus	Defeasance Amount
plus	Administration Costs
less	Reserve Fund Credit
equals	Prepayment Amount

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

Paragraph No.:

1. For a Parcel of Developed Property, determine the Maximum Special Tax for Debt Service and Facilities for the Parcel. For a Parcel of Undeveloped Property, determine the Maximum Special Tax for Debt Service and Facilities for the Parcel as though it was Developed Property, based on the building permit(s) issued for the Parcel. For a Parcel of Church Property, Park and Open Space Property, Property Owners' Association Property or Public School Property which is not Exempt Property, determine the Maximum Special Tax for Debt Service and Facilities for the Parcel.

2. Divide the Maximum Special Tax for Debt Service and Facilities for the Parcel, determined pursuant to paragraph 1, by the total estimated amount of the Maximum Special Taxes for Debt Service and Facilities that could be levied on all Parcels of Developed Property at buildout, including the prepaying Parcel and excluding any Parcels which have previously prepaid the Special Tax Obligation for Debt Service and Facilities.

3. Multiply the aggregate principal amount of the Outstanding Bonds by the percentage derived pursuant to paragraph 2 to determine the principal amount of the Outstanding Bonds to be redeemed with the Prepayment Amount (the *"Bond Redemption Amount"*).

4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "*Redemption Premium"*).

5. Determine the Future Facilities Costs.

6. Multiply the Future Facilities Costs by the percentage derived pursuant to paragraph 2 to determine the amount of the Future Facilities Costs to be prepaid (the "*Prepaid Facilities Amount"*).

7. Determine the amount needed to pay interest on the Bond Redemption Amount from the first bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

8. Determine the unpaid amount of the Special Taxes levied on the Parcel in the current Fiscal Year.

9. Estimate the earnings on the investment of the Prepayment Amount, less the Prepaid Facilities Amount and the Administration Costs (as defined below), from the date of prepayment until the redemption date for the Outstanding Bonds which will be redeemed with the Prepayment Amount (the "*Net Prepayment Amount")*.

10. Add the amounts derived pursuant to paragraphs 7 and 8 and subtract the amount derived pursuant to paragraph 9 to derive the Defeasance Amount (the "*Defeasance Amount"*).

11. Determine the amount which will be needed and will not be paid from a non-refundable deposit by the owner of the prepaying Parcel for paying the costs of (i) determining the Prepayment Amount, (ii) investing the Net Prepayment Amount, (iii) redeeming the Outstanding Bonds, and (iv) recording any notices to evidence the prepayment and satisfaction of the Special Tax Obligation for Debt Service and Facilities for the Parcel (the "*Administration Costs"*).

12. Determine the amount of the reserve fund credit (the "*Reserve Fund Credit"*) which shall be the lesser of: (a) the amount, if any, by which the "Reserve Requirement" (as defined in the Indenture) will be reduced as a result of the redemption of Outstanding Bonds with the Prepayment

Amount (the "Reduced Reserve Requirement") or (b) the amount (which shall not be less than zero) derived by subtracting the Reduced Reserve Requirement from the amount which will be on deposit in the Reserve Fund for the Outstanding Bonds on the prepayment date.

13. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Prepaid Facilities Amount, the Defeasance Amount and the Administration Costs less the Reserve Fund Credit.

14. Upon receipt of the Prepayment Amount, the funds representing the Bond Redemption Amount, the Redemption Premium, and the Defeasance Amount shall be deposited into the appropriate fund established under the Indenture for the redemption of Outstanding Bonds and shall be used, along with the amount representing the Reserve Fund Credit which shall be transferred from the Reserve Fund to the appropriate account under the Indenture, to redeem an aggregate principal amount of Outstanding Bonds which is equally divisible by $5,000 and, to the extent of any portion of the sum thereof which is not so utilized, to pay interest on and principal of Outstanding Bonds. The Prepaid Facilities Amount shall be deposited into the Construction Fund. The Administration Costs shall be retained by the District and used to pay or reimburse such costs.

Upon receipt of the Prepayment Amount, the Board of Directors shall cause the appropriate notice to be recorded in compliance with the Act to acknowledge that the Special Tax Obligation for Debt Service and Facilities for the prepaying Parcel has been prepaid and satisfied and to cancel the Special Tax lien securing payment of Special Taxes for the Debt Service and Facilities Special Tax Requirement.

Notwithstanding the foregoing, no Prepayment shall be allowed for any Parcel unless the total amount of the Maximum Special Taxes for Debt Service and Facilities that may be levied on Taxable Property (excluding Parcels of Property Owners' Association Property, Public School Property and Church Property that are Taxable Property), both before and after expected buildout of the property in CFD No. 47, as then approved by the County or the City, after the proposed Prepayment would be at least equal to the sum of (i) an amount equal to 110 percent of maximum annual debt service on all Outstanding Bonds, as determined by the Administrator, a financial advisor or a special tax consultant, at the option of the Administrator, plus (ii) Administrative Expenses in the amount of $40,000.

2. Partial Prepayment

An owner of not less than fifteen (15) Parcels of Developed Property classified as Residential Property in CFD No. 47 may partially prepay the Special Tax Obligation for Debt Service and Facilities for all such Parcels. The owner of a Parcel of Undeveloped Property (i) for which a subdivision map has been recorded, (ii) that will be classified as Residential Property and (iii) for which a building permit has been issued, may partially prepay the Special Tax Obligation for Debt Service and Facilities for not less than fifteen (15) of such Parcels. The amount of the Partial Prepayment shall be calculated pursuant to Section H.1 as modified by the following formula:

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

These terms have the following meaning:

PP = the Partial Prepayment
P_E = the Prepayment Amount calculated according to Section H.1
F = the percentage by which the owner of the Parcels is partially prepaying the Special Tax Obligation for Debt Service and Facilities.
A = the Administrative Costs calculated pursuant to Section H.1

The owner of such Parcels who desires to partially prepay the Special Tax Obligation for Debt Service and Facilities shall notify the Administrator of (i) the owner's intent to partially prepay the Special Tax Obligation for Debt Service and Facilities and, (ii) the percentage by which the Special Tax Obligation for Debt Service and Facilities for all such Parcels will be prepaid, and within fifteen (15) days of receipt of such notice, the Administrator shall notify such owner of the amount of a non-refundable deposit determined to cover the costs to be incurred by the District and CFD No. 47 in determining the amount of the Partial Prepayment for such Parcels. Within thirty (30) days of receipt of such non-refundable deposit, the Administrator shall notify the owner of the Partial Prepayment amount applicable to each of such Parcels. A Partial Prepayment must be paid not later than sixty (60) days prior to the redemption date for any Outstanding Bonds which will be redeemed with the Partial Prepayment.

Upon receipt of a Partial Prepayment of the Special Tax Obligation for Debt Service and Facilities for any such Parcels, the Administrator shall (i) allocate the amount of the Partial Prepayment pursuant to Paragraph 14 of Section H.1 and (ii) note on the records of CFD No. 47 that there has been a Partial Prepayment of the Special Tax Obligation for Debt Service and Facilities for such Parcels and that the amount of Special Taxes which shall continue to be levied on such Parcels pursuant to Section D shall be reduced based on the percentage (1.00 - F) of the remaining Special Tax Obligation for Debt Service and Facilities for such Parcels.

Notwithstanding the foregoing, no Partial Prepayment shall be allowed for any Parcel unless the total amount of the Maximum Special Taxes for Debt Service and Facilities that may be levied on Taxable Property (excluding Parcels of Property Owners' Association Property, Public School Property and Church Property that are Taxable Property), both before and after expected buildout of the property in CFD No. 47, as then approved by the County or the City, after the proposed Partial Prepayment would be at least equal to the sum of (i) an amount equal to 110 percent of maximum annual debt service on all Outstanding Bonds, as determined by the Administrator, a financial advisor or a special tax consultant, at the option of the Administrator, plus (ii) Administrative Expenses in the amount of $40,000.

I. CHANGES TO TENTATIVE TRACTS

The Alternative Special Tax Rate has been established based on the land use configurations shown on the subdivision map for Tract No. 34014. In the event any portion of Tract No. 34014 is modified by the County or the City, the Alternative Special Tax Rate for all Parcels of Developed Property in the modified portion of such tract which are classified as Residential Property shall be determined by (i) multiplying the total square footage of such Parcel or Parcels by $0.9652 per square foot in Zone A and $0.8767 per square foot in Zone B, and (ii) by dividing the product thus obtained by the number of lots in the modified portion thereof.

APPENDIX B-1

APPRAISAL REPORT

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APPRAISAL REPORT

COMMUNITY FACILITIES DISTRICT NO. 47
OF THE
JURUPA COMMUNITY SERVICES DISTRICT
(COPPER SKY BY DR HORTON)

City of Eastvale, Riverside County, California
(Appraisers' File No. 2017-1140)

Prepared For
Jurupa Community Services District
11201 Harrell Street
Mira Loma, California 91752

Prepared By
Kitty Siino & Associates, Inc.
115 East Second Street, Suite 100
Tustin, California 92780

KITTY SIINO & ASSOCIATES, INC.
REAL ESTATE APPRAISERS & CONSULTANTS

December 22, 2016

Mr. Steven Popelar, Director of Finance and Administration
Jurupa Community Services District
11201 Harrell Street
Mira Loma, California 91752

Reference: Appraisal Report
Community Facilities District No. 47
Of the Jurupa Community Services District (Copper Sky by DR Horton)
East side of Scholar Way at Schleisman Road, Eastvale

Dear Mr. Popelar:

At the request and authorization of the Jurupa Community Services District, we have completed an Appraisal Report for Community Facilities District No. 47 of the Jurupa Community Services District ("JCSD CFD No. 47") which consists of Copper Sky, a community with three product lines, all by DR Horton. JCSD CFD No. 47 has two Zones for taxation only and are not to be considered separate for other CFD purposes. The Zones coincide with the neighborhoods. Zone A encompasses Estrella at Copper Sky and consists of 72 completed and sold homes while Zone B encompasses Luna/Luna Pointe and Copper Heights at Copper Sky. Luna/Luna Pointe consists of 92 completed and closed homes while Copper Heights is proposed for 60 homes, 14 which are completed and closed to individuals and 46 which are builder owned (15 In escrow), ranging from model homes to finished lots.

The valuation method used in this report is the Sales Comparison Approach along with a mass appraisal technique as defined within this report. The fee simple estate of the subject property has been valued subject to the JCSD CFD No. 47 special tax lien. This report is written with the special assumption that the subject properties are enhanced by the improvements and/or fee credits to be funded by the Special Tax Bonds of JCSD CFD No. 47. As a result of our investigation, the concluded minimum market value for the subject property is:

Zone A / Estrella at Copper Sky*:*	
Individually Owned Homes Minimum Market Value	$ 29,611,845
Total Zone A	**$ 29,611,845**
Zone B / Luna/Luna Pointe and Copper Heights at Copper Sky:	
DR Horton Homes Ownership	$ 11,082,973
Individually Owned Homes Minimum Market Value	$ 48,167,667
Total Zone B	**$ 59,250,640**
Aggregate Value for JCSD CFD No. 47	**$ 88,862,485**

The values are stated subject to the Assumptions and Limiting Conditions of this report, the Appraiser's Certification and as of November 15, 2016.

115 East Second Street, Suite 100, Tustin, California 92780
(714) 544-9978 - Phone, (714) 544-9985 – Fax, E-Mail: kssiino@msn.com

Some supporting documentation concerning the data, reasoning and analyses may be retained in the appraiser's files. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. This Appraisal Report is intended to comply with both the Uniform Standards of Professional Appraisal Practice ("USPAP" January 2014) and with the Appraisal Standards of the California Debt and Investment Advisory Commission ("CDIAC"). The appraiser is not responsible for unauthorized use of this report.

This letter of transmittal is part of the attached report, which sets forth the data and analyses upon which our opinion of value is, in part, predicated.

Respectfully submitted,

KITTY SIINO & ASSOCIATES, INC.

K. Siino

Kitty S. Siino, MAI
California State Certified General
Real Estate Appraiser (AG004793)

TABLE OF CONTENTS

Assumptions and Limiting Conditions..... i
Aerial Photo of JCSD CFD No. 47 iv
Purpose of the Appraisal 1
The Subject Property..... 1
Intended Use of the Report 2
Definitions 2
Property Rights Appraised 3
Effective Date of Value..... 4
Date of Report..... 4
Scope of Appraisal 4
Regional Area Map..... 7
County of Riverside Area Description..... 8
Eastvale Area Map 15
City of Eastvale Description 16
Immediate Surroundings 21
Community Facilities District No. 47..... 23
Subject Property Description..... 24
Riverside County Housing Market..... 33
Highest and Best Use Analysis 42
Valuation Analyses and Conclusions 47
Appraisal Report Summary 70
Appraiser's Certification 71

ADDENDA

JCSD CFD No. 47 Boundary Map
Tract Map No. 34014 and Master Home Plan
Discounted Cash Flow Analysis
Finished Lot Land Sales Map and Summary Chart
Improved Residential Sales Map and Summary Chart
Appraiser's Qualifications

ASSUMPTIONS AND LIMITING CONDITIONS

1. This report might not include full discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Some supporting documentation concerning the data, reasoning and analyses may be retained in the appraiser's files. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3. It is assumed that the subject property is subject to the special tax lien of JCSD CFD No. 47.

4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5. The information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.

6. All engineering is assumed to be correct. Any plot plans and illustrative material used in this report are included only to assist the reader in visualizing the property and may not be to scale.

7. It is assumed that there are no hidden or unapparent conditions of either property, subsoil or structures that would render them more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in this report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in this appraisal report.

10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch or photograph included in this report may show approximate dimensions and is included only to assist the reader in visualizing the properties. Maps, photographs and exhibits found in this report are provided for reader reference purposes only. No guarantee regarding accuracy is expressed or implied unless

otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements (if any) are within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert relating to asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials that may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Proposed improvements, if any, are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings, if any, must not be used in conjunction with any other appraisal and are invalid if so used.

16. The Americans with Disabilities Act ("ADA") became effective on January 26, 1992 and have been updated several times since then. The appraiser has made no specific compliance survey and analysis of the property to determine whether they conform to the various detailed requirements of the ADA, nor is the appraiser a qualified expert regarding the requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, a possible noncompliance with requirements of the ADA in estimating the value has not been considered.

17. It is assumed there are no environmental concerns that would slow or thwart development of the subject properties and that the soils are adequate to support the highest and best use conclusions.

18. It is assumed that the sales information provided by DR Horton is true and accurate. We have reviewed and analyzed the sales along with checking samples on various public record documents and the information appears to be correct.

19. Possession of this report, or a copy thereof, does not carry 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 proper qualification and only in its entirety. Permission is given for this appraisal to be published as a part of the Official Statement or similar document for the JCSD CFD No. 47 Special Tax Bonds.

HYPOTHETICAL CONDITION

1. It is assumed that all improvements and benefits to the subject properties, which are to be funded by the JCSD CFD No. 47 Special Tax Bond proceeds are completed and in place.

Jurupa Community Services District
Community Facilities District No. 47
Copper Sky by DR Horton
Ontario Ranch
Limonite Avenue
15
Summer Avenue
Scholar Way
Harada Heritage Park
Hamner Avenue
Schleisman Road
Riverboat Drive
Eastvale Elementary
River Heights Intermediate
Schleisman Road
N
Boundaries Approximate
Aerial Photo by Airviews 11/15/16

PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to estimate the value of the fee simple interest of the subject property, subject to the special tax lien of the JCSD CFD No. 47 Special Tax Bonds.

THE SUBJECT PROPERTY

The subject property is proposed for 224 single-family detached homes within the City of Eastvale located along the east side of Scholar Way at Schleisman Road. The property is divided into two Zones for taxation purposes which are being developed into three neighborhoods; Estrella at Copper Sky in Zone A and Luna/Luna Pointe and Copper Heights at Copper Sky in Zone B. All projects have been or are being developed by DR Horton within Tract 34014. It should be noted that the separate Zones do not create separate CFDs. The ownership of the lands is detailed below.

Description	No. Lots	Ownership	Condition/Status
TRACT NO. 34014			
Zone A - Estrella			
Lots 93-164 of Tract 34014	72	Individuals	Completed Houses / Closed
Subtotal Zone A	**72**		
Zone B			
Luna/Luna Pointe			
Lots 1-92 of Tract 34014	92	Individuals	Completed Houses / Closed
Copper Heights			
Lots 166-170, 177-180, 182, 219-221 and 223	14	Individuals	Completed Houses / Closed
Lots 173-174	2	DR Horton	Model Homes
Lots 165, 181, 183-190 and 222	11	DR Horton	Homes over 95% complete (9 in escrow)
Lots 191-203 and 214-218	18	DR Horton	Homes Under Construction (6 In escrow)
Lots 171-172, 175-176, 204-213 and 224	15	DR Horton	Finished Lots
Subtotal Copper Heights	60		
Subtotal Zone B	**152**		
Total Copper Sky	**224**		

INTENDED USE OF THE REPORT

It is the appraiser's understanding that the client, the Jurupa Community Services District, will utilize this report in disclosure documents related to the sale of the Special Tax Bonds of JCSD CFD No. 47. This report may be included in the Official Statement or similar document to be distributed in connection with the marketing and offering of the bonds. It is the appraiser's understanding that there are no other intended uses of this report.

DEFINITIONS

Market Value

The term "Market Value" as used in this report is defined as:

> *"The most probable price 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:*
>
> 1. *buyer and seller are typically motivated;*
> 2. *both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;*
> 3. *a reasonable time is allowed for exposure in the open market;*
> 4. *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
> 5. *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."*[1]

Inherent in the Market Value definition is exposure time or the time the subject property would have been exposed on the open market prior to the appraisal in order to sell at the concluded values. In the case at hand and considering current market conditions the exposure time for each individually owned property or the entire developer owned property in a bulk sale is less than one year.

[1] The Appraisal of Real Estate, 13th Edition

Finished Lot

The term "Finished Lot" is defined as:

> *"A parcel which has legal entitlements created by a recorded subdivision map, whose physical characteristics are a fine graded level pad per lot with infrastructure contiguous to each individual lot, asphalt paved roads and the necessary utilities. This term assumes the payment of all applicable development fees with the exception of building permit and plan check fees."*

Minimum Market Value

The term "Minimum Market Value" as used in this report is defined as:

> *"The base market value of a new home. That is, most buyers purchase some upgrades, options and/or lot premiums when purchasing a new home. The sales price for the new home typically includes the base price for the plan, plus any upgrades, options or lot premiums, less concessions, if any, which were given or paid for by the builder. The concluded minimum market value is for the base value of the plan only, not taking into consideration any upgrades, options or premiums."*

Mass Appraisal

The term "Mass Appraisal" as used in this report is defined as:

> *"The process of valuing a universe of properties as of a given date using standard methodology employing common data and allowing for statistical testing"*[2]

In the case at hand, the statistical testing included reviewing all original builder sales and reviewing the Multiple Listing Service ("MLS") for any re-sales and/or listings of each plan type. In addition, we have determined the actual range of sales prices for each plan type which will be utilized in the valuation process. The search of the MLS resulted in no re-sales or current listings within the subject property.

PROPERTY RIGHTS APPRAISED

The property rights being appraised are of a fee simple estate interest, subject to easements of record and subject to JCSD CFD No. 47. The definition of "fee simple estate" is defined as:

[2] USPAP 2014-2015 Edition

"absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."[3]

EFFECTIVE DATE OF VALUE

The subject properties are valued as of November 15, 2016.

DATE OF REPORT

The date of this report is December 22, 2016.

SCOPE OF APPRAISAL

As previously stated, the purpose of this appraisal is to report the appraiser's best estimate of the market value for the subject property, JCSD CFD No. 47 which is known as Copper Sky. JCSD CFD No. 47 is being built out into three products, two which are built-out and closed to individuals. Estrella at Copper Sky encompasses 72 completed homes sold to individuals. Luna/Luna Pointe included 92 homes closed to individuals. The final product is currently being marketed as Copper Heights. Within Copper Heights there are 14 homes closed to individuals, 13 houses owned by the builder over 95 percent complete (including two model homes), 18 homes under construction and 15 remaining lots. This appraisal will be presented in the following format:

- County of Riverside Description
- City of Eastvale Description
- Immediate Surroundings Description
- Brief Description of JCSD CFD No. 47
- Subject Property Description
- Riverside County Residential Market Analysis
- Highest and Best Use Analysis
- Valuation Procedure, Analysis and Conclusion
- Appraisal Report Summary

[3] The Appraisal of Real Estate, 13th Edition

In valuing the subject property, the value estimates will be based upon the highest and best use conclusion using the Sales Comparison Approach. The Sales Comparison Approach to value is defined as:

> *"…a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sales prices of the comparables based on the elements of comparison. The Sales Comparison Approach may be used to value improved properties, vacant land or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparables is available."*[4]

In the Sales Comparison Approach, market value is estimated by comparing properties similar to the subject that have recently been sold, are listed for sale or are under contract. Neither a cost or income approach was utilized as they were not considered necessary to arrive at credible results. In addition, we have utilized a mass appraisal technique which included reviewing all builder sales and searching the MLS for any re-sales and/or listings.

The due diligence of this appraisal report included the following:

1. Compiled demographic information and related that data to the subject properties to perform a feasibility/demand analysis.

2. Gathered and analyzed information on the subject marketplace, reviewed several real estate brokerage publications on historical and projected growth in the subject market and researched the micro and macro-economic outlook within Riverside County and the Eastvale/Mira Loma area.

3. Inspected the subject properties between November 1 and November 15, 2016.

4. Had the site flown by an aerial photographer on November 15, 2016

5. Interviewed representatives and or consultants from DR Horton in order to obtain project information.

6. Interviewed City of Eastvale planning representatives regarding the zoning and approved mapping on the subject site.

7. Reviewed a Title Report on the subject property.

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[4] Dictionary of Real Estate Appraisal, Fourth Edition, 2002

8. Reviewed a Final Report of Geotechnical Observation for the subject property.

9. Reviewed a Methane Report covering the subject property.

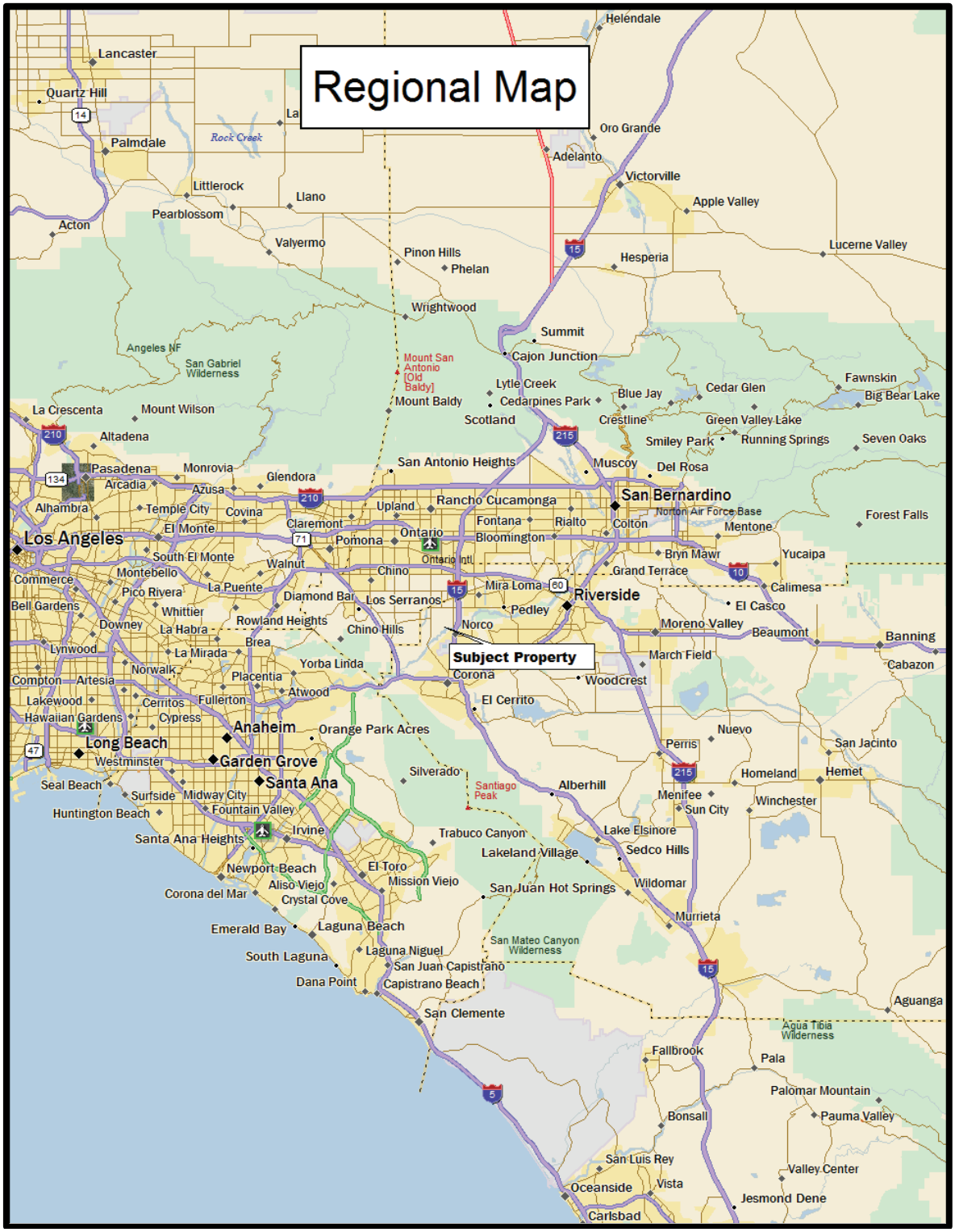
10. Searched the area for relevant comparable residential land sales and verified each sale with a buyer or seller or broker familiar with the transaction.

11. Searched the area for relevant comparable new home residential projects, including sales prices and concessions and interviewed representatives from each comparable project.

12. Reviewed sales brochures on the subject neighborhoods.

13. Reviewed developer sales information on each home.

14. Reviewed Multiple Listing Service information to determine if there are any re-sales, pending sales or listings of existing homes.


Regional Map
Subject Property
Helendale
Lancaster
Quartz Hill
Palmdale
Rock Creek
Oro Grande
Adelanto
Victorville
Apple Valley
Littlerock
Llano
Pearblossom
Acton
Valyermo
Pinon Hills
Phelan
Hesperia
Lucerne Valley
Wrightwood
Summit
Cajon Junction
Angeles NF
San Gabriel Wilderness
Mount San Antonio [Old Baldy]
Mount Baldy
Lytle Creek
Cedarpines Park
Blue Jay
Cedar Glen
Fawnskin
Big Bear Lake
La Crescenta
Mount Wilson
Scotland
Crestline
Green Valley Lake
Smiley Park
Running Springs
Seven Oaks
Altadena
Pasadena
Monrovia
Glendora
San Antonio Heights
Muscoy
Del Rosa
Arcadia
Azusa
Alhambra
Temple City
Covina
Upland
Rancho Cucamonga
San Bernardino
Norton Air Force Base
Forest Falls
Claremont
Fontana
Rialto
Colton
Mentone
Los Angeles
El Monte
Pomona
Ontario
Bloomington
Bryn Mawr
Yucaipa
South El Monte
Walnut
Ontario Intl
Grand Terrace
Montebello
Chino
Commerce
Pico Rivera
La Puente
Diamond Bar
Los Serranos
Mira Loma
Riverside
Calimesa
Bell Gardens
Whittier
Pedley
El Casco
Downey
La Habra
Rowland Heights
Chino Hills
Norco
Moreno Valley
Beaumont
Banning
Lynwood
La Mirada
Brea
March Field
Cabazon
Norwalk
Yorba Linda
Corona
Compton
Artesia
Placentia
Woodcrest
Lakewood
Cerritos
Fullerton
Atwood
El Cerrito
Hawaiian Gardens
Cypress
Anaheim
Orange Park Acres
Nuevo
Long Beach
Perris
San Jacinto
Westminster
Garden Grove
Silverado
Santiago Peak
Alberhill
Homeland
Hemet
Seal Beach
Santa Ana
Surfside
Midway City
Menifee
Winchester
Huntington Beach
Fountain Valley
Sun City
Irvine
Trabuco Canyon
Lake Elsinore
Santa Ana Heights
Lakeland Village
Sedco Hills
Newport Beach
El Toro
Aliso Viejo
Mission Viejo
San Juan Hot Springs
Wildomar
Corona del Mar
Crystal Cove
Murrieta
Emerald Bay
Laguna Beach
San Mateo Canyon Wilderness
Laguna Niguel
South Laguna
San Juan Capistrano
Dana Point
Capistrano Beach
Aguanga
San Clemente
Agua Tibia Wilderness
Fallbrook
Pala
Palomar Mountain
Bonsall
Pauma Valley
San Luis Rey
Valley Center
Oceanside
Vista
Jesmond Dene
Carlsbad

COUNTY OF RIVERSIDE AREA DESCRIPTION

Location

The subject property is located in the northwestern portion of Riverside County (the "County") in the City of Eastvale, north of the 91 Freeway and the Santa Ana River, south of both the 60 and I-10 Freeways and west of the I-15. The County encompasses approximately 7,300 square miles, and includes large expanses of undeveloped deserts, valleys, canyons and mountains. The County is a major beneficiary of outward urban pressure from Orange and Los Angeles Counties as well as growth from San Diego County to the south. Although located at the periphery of most urban activity in Southern California, Riverside County, particularly the western area, has been a major growth area and is perceived by most observers as an area expected to continue to grow. Riverside and San Bernardino Counties are considered distinct from Los Angeles and Orange Counties and belong to the same Metropolitan Statistical Area ("MSA"). The area, consisting of San Bernardino and Riverside Counties, is commonly referred to as the Inland Empire.

Transportation

The subject property is situated approximately one mile west of Interstate 15 ("I-15"), about five miles north of the 91 Freeway and four miles south of the 60 Freeway. I-15 travels in a northerly/southerly direction and provides access to Barstow and Nevada to the north and San Diego to the south. The 91 Freeway travels in a northeasterly/westerly direction, provides access to Orange and Los Angeles Counties to the west and connects with the 60 Freeway and Interstate 215 ("I-215") to the north in San Bernardino County. State Highway 60 Freeway provides access to the west (Los Angeles) and to the east where it merges with Interstate 10 ("I-10") providing access to Arizona. Another major freeway in the County, Interstate 215, travels in a northerly/southerly direction within the County and generally parallels I-15 to the east.

The County is served by Amtrak and Metrolink as well as several rail freight lines. The Ontario International Airport provides regional air service and is located approximately four miles north of the subject property. The Chino Airport, a general aviation airport of

choice for independent pilots, students and corporate users, is approximately two miles west of the subject property. In addition, the County has extensive trucking corridors along the previously referred to interstates, highways and state freeways.

Population

The County has experienced population growth for several decades and is anticipated to continue to do so in the foreseeable future. Per the California Department of Finance, the January 1, 2016 County population was 2,347,828. This represents a one-year increase of 1.3 percent and an average annual growth rate of approximately 2.5 percent for the previous sixteen-year period. Current County projections, suggest the population is anticipated to reach approximately 2.478 million by 2020 and 2.862 million by 2030, indicating an average annual increase of approximately 1.35 percent for the next four years and an average annual increase of approximately 1.42 over the next 14 years. The current growth of 1.3 percent is lower than the previous 16 years average likely due to the Great Recession, however slightly higher than the previous year (1.2 percent). The future growth is predicted assuming a more stable market than was seen prior to the Great Recession.

Economy

As with the rest of the nation, the Inland Empire experienced a strong multi-year recession, now referred to as the Great Recession, between 2007 and mid-2012. The MSA, which had strong employment over the ten previous years saw unemployment rates increase significantly between 2007 and 2010. Unemployment has declined substantially since that time. The seasonally adjusted unemployment rate for the MSA was estimated at 6.2 percent (per the September 2016 Employment Development Department) which reflects an increase from April 2007 (MSA unemployment rate was 4.8 percent); however, a significant decrease since July 2010 (MSA unemployment rate was 15.1 percent). As of September 2016, Riverside County had a 6.5 percent unemployment rate while San Bernardino County had a 5.9 percent rate. The current MSA unemployment rate of 6.2 percent is slightly higher than both the California statewide unemployment rate of 5.3 percent and the September 2016 National unemployment rate of 4.8 percent. Below is a

table comparing Riverside County's unemployment rates to the unemployment rates of the surrounding counties.

Jurisdiction	As of	Unemployment Rate
Los Angeles County	9/16	5.2%
Riverside County	**9/16**	**6.5%**
San Bernardino County	9/16	5.9%
Orange County	9/16	4.1%
San Diego County	9/16	4.7%

Source: State of California E.D.D.

Over the past 20 years, the Riverside County economy has had significant cycles with home prices almost doubling from 1995 to 2005, then falling by over 50 percent during the Great Recession taking prices back to 2002 levels. Home values appeared to hit bottom in 2009 then remained essentially flat for two to three years with the majority of the Riverside County housing market seeing an improvement beginning in mid-2012 with 2013 showing significant appreciation in both the number of sales and pricing. In 2014, 2015 and 2016 the Riverside County housing market saw a slowdown in the double digit growth seen in 2013 with sales of homes appearing to stabilize while prices of homes are still enjoying growth within the County, however at more normal rates in the single-digit range.

The Federal Government attempted to correct the struggling economy by implementing several economic stimulus packages during the Great Recession. The Federal Reserve Board ("Board") kept interest rates below historical averages dropping rates to zero in December 2008 until the December 2015 Board meeting when interest rates were raised one quarter of a percent. Future rate hikes are anticipated to be gradual and will depend on how the U.S. economy and global growth is occurring. The Board met in early November 2016 and did not raise rates however most predictions are for a second, slight increase in December 2016. Concerns still expressed by the Board in November include weak pay growth and a still-high number of part-time workers who can't find full-time jobs.

While the U.S. economy has been slowly growing, concerns of global weakness have emerged. The European Central Bank began its own quantitative easing in the summer of 2015. Growth in China which had been slowing for a couple years ended with a

correction in China's stock market of 40 percent followed by a devaluation of their currency in 2015. The summer of 2016 brought BREXIT (Britain's exit of the European Union) which, while too soon to know the extent of its influence on the US economy, has created volatility in the stock market. In addition, oil prices plunged over the past 24 months. Lower oil prices give U.S. consumers more money, however, the lower prices affect U.S. oil companies and their workers along with other oil dependent countries. In November the US Election voted in a new Administration to begin in 2017. While the new Administration is suggesting there will be immediate changes to help the economy, time will tell how quick these changes occur.

California's labor markets make it easy to understand why the mid-2000s downturn is being referred to as the Great Recession. After peaking at 15.454 million non-farm jobs in June 2007, the state shed over 1.33 million non-farm positions by February 2010. Since hitting bottom, California has now added back 2.69 million jobs for a total of 16.450 million non-farm jobs as of August 2016 per the California Employment Development Department. This well surpasses the previous peak, however, as mentioned by the Federal Reserve Board, there is a high number of part-time jobs included in this number.

According to the most recent UCLA Anderson Forecast *(September 28, 2016*), the U.S. economy will have continued growth albeit at a slower rate than was previously predicted with 2.7 percent growth rate now forecast for 2016 (previous was 3.3 percent forecast growth rate in 2016) and 2.0 to 2.5 percent growth throughout 2017 and 2018. The decrease for 2016 is due to a combination of worries: the beginning of 2016 drop in stock prices; the slowdown in China; continued stagnation in Europe and Japan; oil prices dropping below 2009 levels; and, the European banking system dealing with BREXIT. The markets calmed down in March, mostly due to strong data from the consumer side of the economy which indicated that retail sales were solid and employment growth remained robust.

The UCLA Forecast for California estimates employment growth for 2016 in California to be 2.0 percent with the forecast for 2017 at 1.7 percent and the 2018 forecast at 1.1 percent. Real personal income has a slightly higher projected growth rate of 2.6 percent

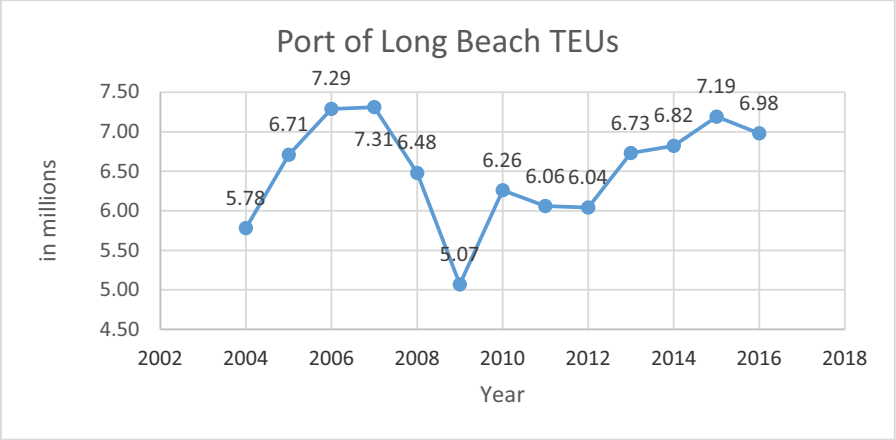
in 2016, 3.7 percent in 2017 and 3.6 percent in 2018. Home building will be a continued weak spot with about 120,000 new units per year forecast for 2017. This is below demand which will result in home prices remaining at a premium.

According to John Husing's Inland Empire Economic Partnership's Quarterly Economic Report dated July 2016, the Inland Empire is increasing in prosperity. Based on current growth rates, the Inland Empire is on track to add 45,393 jobs in 2016, an increase of 3.3 percent. This brings the total number of jobs to seven percent above the pre-recession high in 2007 of 1,306,342 or to 1,402,300. Unemployment is forecast to drop to 5.0 percent in 2016 (currently 6.5 percent). The fact e-commerce has expanded at a 15% compounded annual rate throughout 2010 – 2016 has forced retailers to begin aggressively embracing fulfillment centers. With the Inland Empire's available land for large facilities and its location along the interstates heading east, distribution centers have been growing. Inland logistics job growth remains strong, adding 13,700 jobs in 2015 and an additional 14,100 forecasted for 2016. In the past three years Nordstrom, Amazon, Walmart, Stater Brothers, QVC and BMW have all opened major distribution centers in the Inland Empire.

One of the main reasons the MSA has been slow to pull out of the recession relates to housing. Both Riverside and San Bernardino Counties saw a considerably steeper rise and then subsequent fall of housing prices than almost anywhere else in the State. Inland Empire median existing housing prices went from $388,000 at the peak of the market in 2006 to $155,100 in 2009. The September MSA median price is $319,350 per the California Association of Realtors. Foreclosures and short sales, which constituted a large number of housing sales over the past five years, have decreased significantly to the point where they are no longer affecting prices.

As a final indicator of overall economic activity for the region we have reviewed the rise or fall of TEUs (Twenty-foot Equivalent Units – i.e., containers) being processed in the local ports. This is especially important for the inland communities as it represents much of the growth in development of West Coast distribution centers and warehouses linked to supply-chain nodes in the Pacific Rim. The chart below shows TEU activity at the Port

of Long Beach. The activity resulted in a flattening of TEUs during 2006 and 2007, decreases occurring in 2008 and 2009, and an increase in 2010 followed by stabilization until 2013 with increases until 2016. The 2015 activity totaled 7.192 million TEUs. The 2016 pace through September is showing a 2.0 percent decrease over 2015 which would suggest total TEUs of 6.98 million containers in 2016 which is between 2005 and 2006 numbers.



Government

The County is overseen by a Board of Supervisors as the governing body of the County, certain County special districts and the County Housing Authority. The Board enacts ordinances and resolutions, adopts the annual budget, approves contracts and appropriates funds, determines land use zoning for unincorporated areas and appoints certain County officers and members of various boards and commissions. The Board of Supervisors are elected from five different districts within the County.

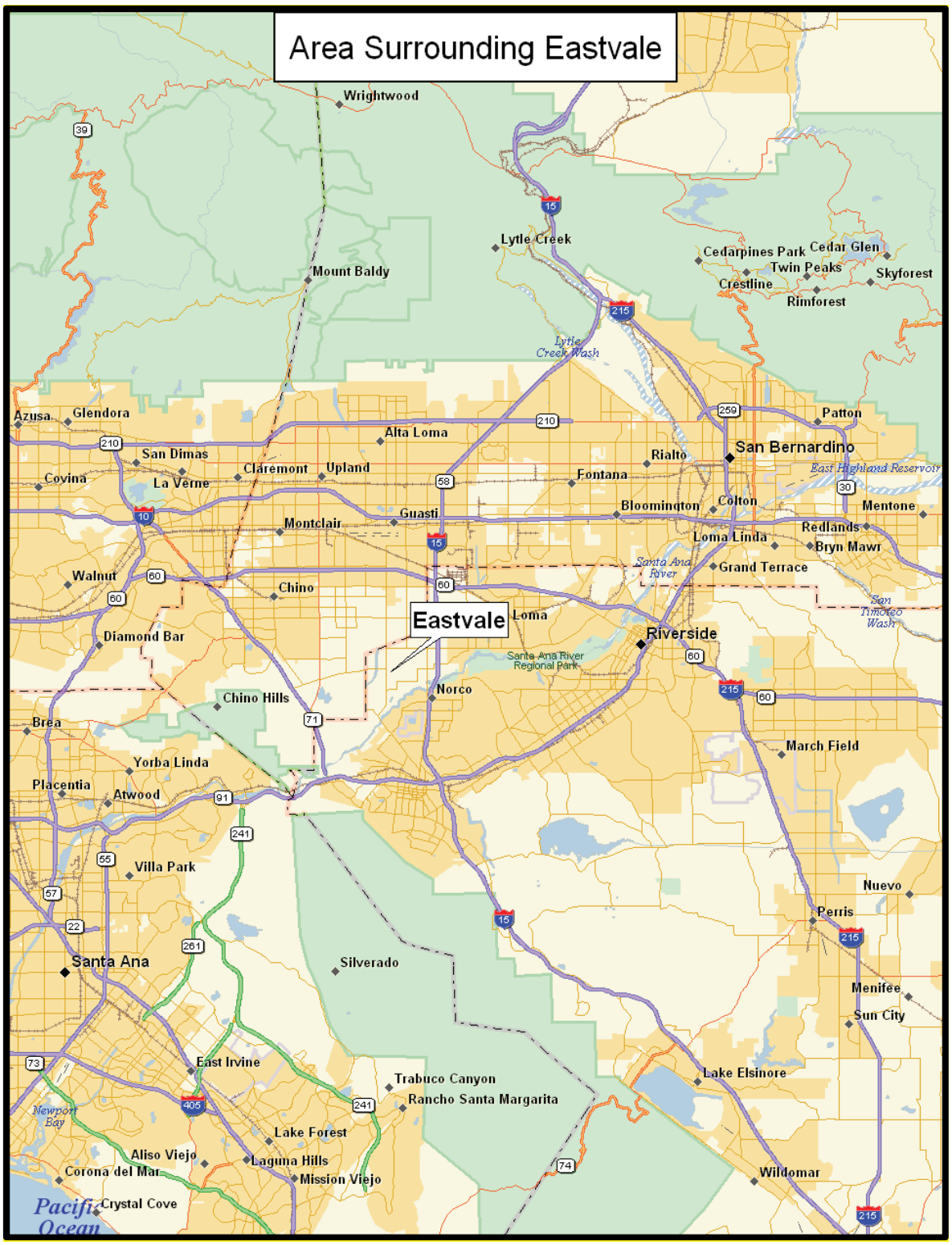
Education

The subject area is served by the Corona-Norco Unified School District which operates eight high schools, eight middle schools and 32 elementary schools. Community Colleges are available near the subject at Norco College (three miles south), Riverside City College (12 miles east) and Mount San Antonio College (12 miles northwest). Higher

education is available, within an hour's drive, at the University of California campuses at Riverside and Irvine or California State University campuses in San Bernardino, San Marcos, Fullerton and Pomona. In addition the area offers many excellent private colleges.

Conclusion

Population in the County has increased over the past 30 years with predictions for continued population growth. The nation's economy stalled starting in 2006 due to the housing downturn, unemployment and the credit crisis. The housing market saw a resurgence beginning the second half of 2012 with prices and sales increasing by double digits thru 2013 with pricing growth slowing to more normal levels and sales essentially flat since then. This slowdown in price growth was considered a benefit as most economists opine that double digit increases in housing prices are not sustainable. The economy typically has cycles and most signs are suggesting the U.S. economy is on an upswing. However, unlike previous recovering economies, housing growth has been slow to comeback. While the incoming Administration is suggesting changes in the U.S. economy, time will tell how fast the changes can be made. In conclusion, the County is expected to continue to grow in population due to its Southern California location, the availability of land and the relatively lower land prices in comparison to adjacent Orange, Los Angeles and San Diego Counties.


Area Surrounding Eastvale
Wrightwood
Mount Baldy
Lytle Creek
Cedarpines Park
Cedar Glen
Twin Peaks
Skyforest
Crestline
Rimforest
Lytle Creek Wash
Azusa
Glendora
Alta Loma
Patton
San Bernardino
Rialto
San Dimas
Claremont
Upland
Covina
La Verne
Fontana
East Highland Reservoir
Bloomington
Colton
Mentone
Montclair
Guasti
Redlands
Loma Linda
Bryn Mawr
Santa Ana River
Grand Terrace
Walnut
Chino
Eastvale
Loma
San Timoteo Wash
Diamond Bar
Riverside
Santa Ana River Regional Park
Norco
Chino Hills
Brea
March Field
Yorba Linda
Placentia
Atwood
Villa Park
Nuevo
Perris
Santa Ana
Silverado
Menifee
Sun City
East Irvine
Trabuco Canyon
Lake Elsinore
Rancho Santa Margarita
Newport Bay
Lake Forest
Aliso Viejo
Laguna Hills
Corona del Mar
Mission Viejo
Wildomar
Crystal Cove
Pacific Ocean

CITY OF EASTVALE DESCRIPTION

General Area

The subject property is located in the central portion of the City of Eastvale ("City") in northwestern Riverside County. The black star on the below map shows the approximate location of JCSD CFD No. 47. It should be noted that the City is not the issuer of the subject special tax bonds.

History

In 1893 when the County of Riverside was created, within the minutes of one of the first meetings there is a reference to the "East Vale" school district which was located in the area we now know as Eastvale. By the 1950s, Los Angeles' population had expanded into outlying farm lands with dairymen moving their operations into the area. Dairies in Eastvale, Chino Valley and Ontario were owned and operated primarily by Dutch and Portuguese families. In the 1990s as the City of Corona neared build-out, residential homebuilders looked toward the north and south along I-15 with the Eastvale area being the best land available for development to the north. On October 1, 2010 Eastvale became California's 481st and Riverside County's 27th incorporated city. Eastvale has a total area of 13.1 square miles.

Population

Eastvale has historically been one of the fastest growing areas in the County. Per the 2010 U.S. Census the population of Eastvale was 53,668 residents in 13,640 households with an average household size of 3.93 persons. Per the California Department of Finance the population grew to 63,162 by January 2016 which is a 3.8 percent increase from the previous year. This is the largest increase of any City in the County of Riverside during this time period. The 2000 Census indicated the area had a population of 6,011 suggesting an over 950 percent population increase in the past sixteen years.

Housing

Eastvale had a 2014 estimate of 15,603 existing housing units (most recent available estimate) per the Southern California Association of Governments. Between 1999 and 2005, homes in the Eastvale area sold at an exceptionally rapid pace due to the City's location and the essential build-out of neighboring Corona of easily developable land. Within Eastvale most homes are located within a Community Facilities District with typical overall tax rates ranging from 1.5 to 2.0 percent. Eastvale was hit particularly hard by the housing bubble burst of the late 2000s. A large portion of the community's homes were sold between 2000 and 2007 at inflated prices fueled somewhat by the availability of subprime mortgages. In June, 2006 the median home in Eastvale was valued at $601,000 while in June 2009 the median price was $304,000, an approximately 50

percent decrease in home values over the three year span. Between 2009 and 2011 the development of smaller sized (square footage) homes became typical in Eastvale. However, in 2012 homebuilders began again building larger sized homes; similar in size to the homes built prior to the real estate recession. According to Zillow, a web based analytical real estate research firm, the median value of a home in Eastvale is $507,100 suggesting an increase from the bottom of the market of over 66 percent, however still 15 percent below the previous peak in 2006. It should be noted that these are Zillow value estimates and the median actual sale price of a home in Eastvale (over the past 90 days) is $488,150.

Eastvale was one of the first areas within the Inland Empire to come back into the new housing market after the Great Recession. In 2010 and 2011 when there was virtually no land development in the Inland Empire, several major home builders began developing residential lots within Eastvale while in 2012 and 2013 additional homebuilders began developing in the area. Currently DR Horton, KB Home, Lennar and William Lyon Homes are all selling in Eastvale. Due to nearing build-out of residential lands within the City, the majority of the projects are on small lots (similar to the subject property) or are condominiums.

With Eastvale nearing build-out of new single-family detached housing, new home projects are opening in surrounding communities. Within the southwestern portion of the City of Jurupa Valley (approximately two miles east of the subject property) there are eight currently selling neighborhoods within five communities. In the City of Ontario's new Ontario Ranch area (formerly known as the New Model Colony) located approximately one mile north of the subject property, there are seven new projects currently marketing in the Park Place (Subarea 29), five new home projects in the New Haven (also known as The Avenue) area of Ontario Ranch and two Lennar projects at West Haven. In addition approximately two miles west of the subject in the City of Chino, the master planned community of The Preserve has three new projects selling while in College Park there is another new project.

Economy

Several major retail developments opened in Eastvale over the past fifteen years. Eastvale Gateway opened in 2003 at the northeast corner of Limonite and Hamner Avenues. This development is anchored by a Home Depot, Vons, Best Buy, Target and an Edwards Theatre complex. Cloverdale Marketplace opened about the same time at the southwest corner of Limonite and Hamner Avenues and is anchored by a Ralphs Supermarket with a second phase opening in 2013. Along Archibald Avenue at Schleisman Road a neighborhood shopping center anchored by Albertson's Supermarket opened in 2006. Also located across the street there is a newer center known as The Marketplace at The Enclave anchored by a CVS Drug Store with several in-line and pad stores complete and leased. In addition, the Vernola Market Place is located at the southeast corner of I-15 and Limonite Avenue (in Jurupa Valley) anchored by Lowes Home Improvement Store. Eastvale Gateway South located across Limonite from the original Eastvale Gateway opened in 2013 and now includes a Taco Bell, McDonalds, Walgreens, 24-Hour Fitness, a medical office building, inline space and a Chevron Station. There are future plans for a WalMart at the southeast corner of Limonite and Archibald Avenues and a project known as The Ranch at Eastvale at the northeast corner of Hellman Avenue and Kimball Avenue. The Ranch is proposed for over 100,000 square feet of mixed use commercial space including 17 acres of retail, 43 acres of industrial, 48 acres of business park and 9 acres of interior roads. Finally, in the pan-handle area of the City along Hamner Avenue is a new business park which is under development which will house several new industrial and distribution buildings.

On a more macro level, there are three regional shopping centers along I-15 within 15 miles of Eastvale. The first, Ontario Mills Mall which opened in 1996, is a regional outlet mall while the second, Victoria Gardens in Rancho Cucamonga (opened in 2005), is the premier regional mall in San Bernardino County. In addition Dos Lagos, a smaller lifestyle center opened in 2006 and is located approximately 10 miles south along I-15 in South Corona.

Summary

Over the past 20 years Eastvale has transitioned from a dairy farming area to a large, incorporated city with thousands of homes. Originally a first-time buyer area, Eastvale has evolved to an established community with a significant number of larger homes. Several major retail projects have opened and appear to have been well received. New commercial projects are in the planning and development stages. While nearing residential build-out, the area has minimal large land parcels available for development with a few new projects currently selling, however mostly are residential small lot neighborhoods. Eastvale was considered a sustained pocket of development in the County during the recession when land development continued for both residential and retail projects. While median housing prices have risen substantially since 2009, they are still below the previous peak of 2006. However, prices have appreciated more quickly in Eastvale than most other areas of the Inland Empire.

IMMEDIATE SURROUNDINGS

Copper Sky is located in the central portion of Eastvale along the east side of Scholar Way at Schleisman Road. The parcel is surrounded by existing residences and schools. The subject property was originally square in shape however Schleisman Road bisected the northeastern corner of the site creating two distinct areas. The south side of Schleisman Road includes two products by DR Horton known as Estrella and Luna/Luna Pointe, both within Copper Sky. These products are all sold and closed out with individual owners. The north side of Schleisman Road is triangular in shape and is currently selling as Copper Heights at Copper Sky by DR Horton. There is a community pool and clubhouse area within each portion of the project.

Copper Sky is situated one mile west of Interstate 15 and approximately half-way between the 91 Freeway and State Route 60. The community is made up of three products known as Estrella at Copper Sky, Luna/Luna Pointe at Copper Sky and Copper Heights at Copper Sky. Estrella and Luna/Luna Pointe are all sold and closed out with Copper Heights currently approximately two-thirds built out.

The subject property is surrounded by existing residential areas to the north, east and south and schools to the west. Eastvale Elementary School is located across Scholar Way at the southwest corner of Schleisman Road and Scholar Way. Adjacent to the south of Eastvale Elementary is River Heights Intermediate School while Eleanor Rosevelt High School is located adjacent to the south of the intermediate school. Herada Heritage Park, a large regional park is located approximately one-quarter mile north on Scholar Way. In addition there are two community clubhouse/pool areas within Copper Sky, one in the southern portion and one in the northern portion. In addition there is a grassy park located within the southern portion of Copper Sky.

Shopping is available approximately one mile north at the intersection of Hamner and Limonite Avenues. Regional shopping and entertainment is available at the northeast corner at Eastvale Gateway, anchored by Albertson's, Kohls, Best Buy, Edwards Cinema,

Target and a Home Depot. Neighborhood shopping is available at the southwest corner at Cloverdale Marketplace, anchored by a Ralph's Supermarket and Starbucks. Vernola Marketplace (anchored by Lowes Home Improvement) is across the I-15 from Eastvale Gateway. Additional shopping is available approximately five miles south on Hamner Avenue in the City of Norco.

The subject property has good access from I-15 at Limonite Avenue exit, west approximately one-half mile to Hamner Avenue and south approximately one mile to Schleisman Road and west to the subject property. Additional access is exit I-15 at 6th Street in Norco, west to Hamner Avenue and north approximately one and one-half miles to Schleisman Road or exit State Route 60 at Milliken Avenue (changes name to Hamner Avenue in Riverside County) and south approximately four miles to Schleisman Road.

JCSD COMMUNITY FACILITIES DISTRICT NO. 47

JCSD CFD No. 47 was formed on May 27, 2014 when, following a public hearing, the Board of Directors (the "Board") of Jurupa Community Services District ("District") adopted Resolution No. 2434. Resolution No. 2435 then determined the necessity for the CFD. In addition a Joint Community Facilities Agreement ("JCFA") was adopted. The JCFA was between JCSD and the Corona Norco Unified School District ("School District") and was adopted May 27, 2014 as Resolution No. 2429. The proposed types of public facilities that may be financed through the issuance and sale of JCSD CFD No. 47 Special Tax Bonds are as follows:

> Park and Recreation Facilities – for financing the design, construction and acquisition of parks and park and recreation facilities; and,
>
> Water and Sewer Facilities – for financing the design, construction and acquisition of master plan water system facilities, including capacity in existing facilities and master plan sewer system facilities, including capacity in existing facilities and sewage treatment and disposal capacity; and,
>
> School Facilities – to finance the design, construction and acquisition of public school facilities of the School District; and,
>
> City Facilities – to finance public facilities of the City including funds for City Development Impact Fees.

The boundary map showing JCSD CFD No. 47 including both Zone A and Zone B is shown in the Addenda. Per the approved resolution the total bond amount authorized for JCSD CFD No. 47 is not to exceed $10,000,000. Per the Report of Responsible Officer, the JCSD CFD No. 47 Special Tax Bonds are anticipated to fund the following amounts.

	Total
JCSD Park and Rec Facilities/Fees	$ 1,921,824
JCSD Water and Sewer Facilities/Fees	2,950,080
CNUSD Facilities/Fees	2,799,225
City of Eastvale Facilities/Fees	474,208
Construction Proceeds	$ 8,145,337

In addition to the above amounts there are costs of issuance, underwriters discount and capitalized interest, if needed. All of the above noted costs are estimates and are subject to change.

SUBJECT PROPERTY DESCRIPTION

The subject property consists of the community known as Copper Sky by DR Horton. Within the community are two zones due to various product lines which were needed for taxation purposes. Zone A encompasses Estrella while Zone B encompasses the remainder of the projects. In addition to the two zones, the property is bisected by Schleisman Road creating a northern portion and a southern portion. The area to the left of the yellow line refers to Zone A while the remainder of the area refers to Zone B. The northern portion is part of Zone B and encompasses Copper Heights while the southern portion is all of Zone A and the remainder of Zone B and includes Estrella, Luna/Luna Pointe, both which are built, sold and closed to individual homeowners. Copper Heights is currently selling homes. Within all three products there are a total of 224 parcels with 178 units complete and closed to individuals. The property is shown and described below.

Location:	East side of Scholar Way at Schleisman Road, City of Eastvale, Riverside County.
Legal Property Description:	The subject property is known as Lots 1 thru 29 of Condominium Tract No. 34014, City of Eastvale, County of Riverside. The 29 condominium lots are further divided into 224 single family detached units.
Thomas Guide:	Riverside County 713 – D1
Property Owner:	Zone A – Lots 93-164 all individually owned. Zone B - DR Horton Los Angeles Holding Company, Inc., a California Corporation as to Lots 165, 171-176, 181, 183-218, 222 and 224 of Tract 34014. Individual owners as to Lots 1-92, 166-170, 177-180, 182, 219-221 and 223 of Tract 34014.
Assessors Parcel Nos.:	Zone A – 152-692-032 thru 035; 037 thru 043, 045 thru 049, 051 thru 055, 057 thru 065; 152-702-001 thru 005, 007 thru 011, 013 thru 017, 019 thru 023, 025 thru 028, 030 thru 036, 038 thru 044, 046 thru 049. Zone B - 152-690-016 (will be divided into four new parcel numbers – relates to Lots 185 thru 188); 152-691-001 thru 005, 007 thru 009, 011 thru 016, 018 thru 019, 021 thru 026, 019 thru 031, 033 thru 038, 041 thru 043, 045 thru 054, 056 thru 070, 072 thru 076; 152-692-001 thru 010, 012 thru 014, 016 thru 017, 020 thru 025, 028 thru 030, 067 thru 070; 152-701-001 (will be divided into 10 parcels); 152-701-002 (will be divided into 10 parcels); 152-701-003 (will be divided into 16 parcels; 152-701-004 (will be divided into 12 parcels); 152-701-005 (will be divided into 8 parcels).
Property Taxes:	We have reviewed the 2016/2017 property tax invoice on a sample house within each Zone. The first is APN No. 152-702-031-7 which pertains to 1,727 square foot house in Estrella in Zone A. Per the County of Riverside Tax Assessor's Office, the parcel has an assessed value of $401,023. The parcel has a 2016/17 total tax bill of $8,600.64. This tax amount includes general levy taxes of $4,467.98 and special assessments and fixed charges of $4,132.66 including $3,306.00 for JCSD CFD No. 47. In addition there is $802.14 for the JCSD CFD No. 47 O & M and $24.52 in miscellaneous items. The second sample is APN No. 152-691-012-7 which pertains to 2,630 square foot house in Luna in Zone B. Per the County of Riverside Tax Assessor's Office, the parcel has an assessed value of $498,647. The parcel has a 2016/17 total tax bill of $10,116.32. This tax amount includes general levy taxes of $5,555.66 and special assessments and fixed charges of $4,560.66 including $3,734.00 for JCSD CFD No. 47. In addition there is

$802.14 for the JCSD CFD No. 47 O & M and $24.52 in miscellaneous items.

Three-Year Sales History: DR Horton Los Angeles Holding Company, Inc., a California corporation purchased the site from North Valley 111/AF XXXIV LLC (a related entity to Van Daele Communities) on June 25, 2013. The purchase price for the property was $33,795,776 which equates to $150,874 per lot for the property in its raw land condition at time of sale with tentative mapping complete. DR Horton began closing homes to individual homebuyers in September 2014. One hundred seventy-eight homes have closed to individuals between September 25, 2014 and November 15, 2016.

Size and Shape: The subject property is generally square in shape (prior to bisection of Schleisman Road) and contains 39.99 gross acres and 31.86 net acres (not including Schleisman) per Tract Map 34014.

Zoning: The subject property is designated MHDR (Medium High Density Residential) per the City of Eastvale General Plan Land Use Map. Per the General Plan MHDR allows for single-family attached and detached residences with a density range of five to eight dwelling units per acre. The lot ranges are from 4,000 to 6,500 square feet. Per the Zoning Map, the subject is zoned R-3 (General Residential), which allows for minimum 7,200 square foot lots per the zoning code development standards. Per the City of Eastvale Planning, the condominium map divided the property into 29 lots (over 7,200 square feet each) which is within the allowed zoning. The 29 lots are then divided into 244 units which are allowed per the MHDR general plan land use. All units are single family detached with ownership of the unit and the land under it by each property owner rather than a typical condominium with a joint ownership of the land.

Entitlements: The subject property is encompassed by Tract Map No. 34014 which was recorded March 13, 2014 and subdivides the property into 29 condominium residential lots that accommodate 224 single family detached residential units, 8 privately owned lots (controlled by the HOA) and three lettered lots dedicated as rights of way. Within Copper Sky there are 72 cluster units within Zone A which were built out as Estrella and 152 units within Zone B with more traditional entries and driveways. The 224 units on the 39.99 gross acres equates to 5.60 dwelling units per acre which is within the general plan designation of 5-8 dwelling units per acre. In addition we have reviewed the adoption by the City of Eastvale of the approval for Final Map 34014. The approval states a Subdivision Improvement Agreement was approved by the City Attorney, all bonds and insurance requirements were satisfied, public rights of way and

public easements were included for dedication, an acceptable soils report was provided and monuments shown on the final map were verified by City staff. All Conditions of Approval were either satisfied or would be satisfied upon completion of the improvements required or secured within the Subdivision Improvement Agreement and associated bonds. While the subject is covered by a condominium map, the homes are all built as single family detached homes in either a cluster or more traditional street loaded format on small lots with each homeowner owning the associated land with their unit. The market accepts this type of condominium map as similar to a small lot subdivision.

Home Owner's Association: We have reviewed the State of California Budget Worksheet for the subject Copper Sky Condominium project. Per the State, the project is anticipated to have Home Owner's Association dues of $163.00 per unit based on the 224 units. Per DR Horton the highest estimate during marketing is $203 per month with the current estimate at build-out at $145 per month for the HOA fee.

Topography: The subject property is generally level at street grade of Schleisman Road (bisects property) and Scholar Way (west boundary of the property). There is a detention basin located at the southeast corner of Schleisman Road and Scholar way to provide for project run-off. Drainage appears to be within an in-street storm drain system.

Soils Condition: We have reviewed a Geotechnical Update Report on Tract 34014 prepared by Geotek, Inc. of Corona, California and dated July 18, 2013. The report is an update to previous referenced reports with GeoTek, Inc. assuming responsibility as geotechnical consultant of record henceforth for the project. GeoTek concurred with the findings, conclusions and recommendations within the previous reports, that the property is considered suitable for the proposed plans from a geotechnical perspective.

It is an assumption of this report that the soils are adequate to support the highest and best use conclusion and that all recommendations made within the reports were adhered to during construction. This is evidenced by City inspectors on site throughout construction as well as Certificates of Occupancy permits being obtained on site.

Seismic Information: Per Riverside County the subject property is not located within an Alquist Priolo Earthquake Study Zone and is not within ½ mile of an active fault. The site is about five miles northeast of the Chino-Central Avenue fault (marking the eastern flank of the Chino and Puente Hills fault), the closest major fault zone.

Environmental Concerns: We have not received a Phase I Environmental Site Assessment for review.

It is an assumption of this report that the subject property is free and clear of any environmental issues which would slow or thwart development of the site and that all recommendations contained in any such reports were adhered to. This is suggested by (1) the developer obtaining all required construction permits and (2) City inspectors on site throughout construction as well as Certificate of Occupancy permits being obtained.

Methane Issues: We have reviewed a preliminary Methane Investigation and Mitigation Recommendations Report for Tract 34014 prepared by Carlin Environmental Consulting, Inc. ("CEC") of Tustin, California dated December 12, 2012. The report was prepared in accordance with requirements of the County of Riverside protocols for areas that may have had uses related to livestock and/or dairy operations. The subject property was used for light agricultural from 1938 until approximately 1960 when a single farm house was located near the southwestern corner of the site. Shortly after that, a dairy farm began operations and occupied the central one-third of the site. CEC determined that some of the lots required testing and identified six units which required maximum methane mitigation, nine units requiring medium methane mitigation and 95 units which required minimum methane mitigation. The medium requirement is due to the unit being adjacent to a maximum lot. The minimum methane mitigation is to provide a 10-mil enhanced visqueen vapor barrier, sealing of all utility or other penetrations through the membrane, sealing of conduits where they enter the structure and utility dams at the edge of the structure. The medium methane mitigation is the same as for the minimum plus a sub-slab passive venting system. The medium methane mitigation is the same as the medium methane mitigation. The maximum methane mitigation includes a 60-mil liquid boot membrane, a sub-slab passive venting system, sealing of utility or other penetrations through the membrane, sealing of conduits where they enter the structure and utility dams at the edge of the structures.

It is an assumption of this report that all methane mitigation was performed as recommended during construction. This is evidenced by County and or City inspectors on site throughout construction as well as Certificate of Occupancy permits being obtained.

Flood Information: Per the County of Riverside the subject property does not require a flood plain review as it is not within a designated flood area.

Easements and Encumbrances: We have reviewed a Preliminary Title Report prepared by Fidelity National Title Company dated October 26, 2016 which covers Lot 30 of Tract 34104 as a sample of the subject property. The exceptions are as follows:

Items A and C refer to property taxes. Item B refers to the subject CFD (JCSD CFD No. 47). Item No. 1 pertains to water rights. Item No. 2 refers to a right of way granted in 1913 whose location was not disclosed. Item No. 3 refers to the CC & Rs recorded on the property. Item Nos. 4, 5, 7, 8, 10, 12, 13 and 15 refer to easements which appear to be typical for subject type lands. Item No. 6 refers to a cooperative agreement between DR Horton and the Riverside County Flood Control and Water Conservation District and the City of Eastvale. Item No. 9 pertains to a recital on Tract No. 34014 regarding dedication of roadways. Item No. 11 states Lots 30-37 (on condominium map) are designated as Open Space. Item No. 14 refers to the Subdivision Improvement Agreement for Final Tract Map 34104. Item Nos. 16 and 20 refer to Condominium Plans for Phase I and Phase II of Copper Sky. Item No. 17 refers to CC & Rs recorded on the property. Item No. 18 pertains to a Notice of Non-Adversarial Procedure of Copper Sky recorded on the property. Item No. 19 refers to Resolution No. 15-09 to change Schleisman Road to Riverboat Drive between Scholar Way and Wells Street recorded March 30, 2015 between the City of Eastvale and the subject property owner.

It is an assumption of this appraisal report that the subject lands are free and clear of any liens and/or encumbrances other than JCSD CFD No. 47 and the existing operation and maintenance district and the existing lighting and maintenance district.

Utilities: All normal utilities serve the subject property by the following companies:

Electrical:	Southern California Edison Company
Natural Gas:	The Gas Company
Sewer/Water:	Jurupa Community Services District
Schools:	Corona Norco Unified School District

Streets/Access: Access to the subject project is via I-15 to Limonite Avenue, west one-half mile to Hamner Avenue, south one mile to Riverboat and west to the subject. Additional access is south on Hamner Avenue one and one-third miles to Schleisman Road and west one-third mile to the subject property.

I-15 is a major north/south freeway providing access to international borders both north and south. I-15 runs parallel to Hamner Avenue in Eastvale.

Limonite Avenue has on/off ramps at I-15 and provides the major access into the City of Eastvale to the west and Jurupa Valley to the east.

Hamner Avenue is a main commercial arterial through the cities of Eastvale and Norco. North of Eastvale Hamner is known as Milliken Avenue in San Bernardino County. Milliken has on/off ramps from State Route 60 approximately four miles north of the subject.

Schleisman Road is a main access arterial that generally runs from Hamner Avenue and travels west, bisects the subject property and beyond through the City of Eastvale. Schleisman Road becomes Pine Street west of the City in the County of San Bernardino.

Riverboat Drive is an access street into residential neighborhoods both east and west of Hamner Avenue where there is a traffic signal. West of Hamner Avenue, Riverboat Drive terminates at the subject property.

Internal streets within the subject project include Luna Street, Beckett Field Lane, Estrella Street, Copper Sky, Terrapin way, Stratus Street and Meridian Street along with some small cul-de-sacs.

Current Condition: The subject property has been developed into 224 single-family detached units, 72 cluster units and 152 more traditional small lots. The lots are in generally finished lot condition with some remaining development costs and remaining fees to be paid on the final builder-owned 46 units. There are 191 homes either complete or under construction with 15 remaining lots that include the final build out of the project. There are 178 homes closed to individuals, two model homes, 11 homes over 95 percent complete (nine in escrow) and 18 homes under construction (under 95 percent complete – six in escrow). Upon our physical inspection and our search of the MLS, there were no active listings or homes which have been resold. All of the structures appear to all be in excellent condition with no depreciation visible.

Costs to Complete: The subject property has been developed into 224 finished lots however there are some remaining development costs per the builder. The remaining development costs are estimated at $1,026,000. The remaining development costs include Grading/Erosion Control, Sewer/Water, Street Improvement, Site

Lighting, Fencing, Common Areas/Landscaping and Fees to be paid by the builder. These remaining costs are associated with all of the builder owned property as the individual homeowners are not responsible for these costs. DR Horton owns two models, 11 homes over 95 percent complete, 18 homes under construction (under 95 percent complete) and 15 remaining finished lots for a total of 46 units to spread the above costs between. This suggests that there are $22,304.35 remaining costs per each of the 46 developer owned units.

The above remaining costs will be taken into consideration in the final valuation later within this report.

Improvement Description:

Copper Sky encompasses 224 proposed homes built out by DR Horton into three neighborhoods known as Estrella (Zone A), Luna/Luna Pointe and Copper Heights (all within Zone B). All homes are condominiums however each has some private space which is called out on the Master Home Plan of Tract No. 34014. Luna Pointe has the same size homes as Luna however was advertised as an Express Home which includes basic options in the home. It appears Luna Pointe has less options/upgrades than were available in Luna. This appraisal concludes at a base plan value, thus we will treat Luna and Luna Pointe as the same project. All homes within Copper Sky are of a Spanish, Cottage or Craftsman architectural style. All of the home exteriors include concrete roofing, dual glazed white vinyl windows, fully dry-walled 2-car garages with roll up sectional garage doors and are solar pre-plumbed. Interiors include ceramic tile entries with carpet and bull-nose drywall corners. The master suites include spacious walk-in closets and a master bath. Gourmet kitchens include GE appliances, maple euro-style cabinetry and granite countertops. There are a few differences in the various products with Estrella being the cluster homes with the smallest sized homes, Luna/Luna Pointe the middle sized homes and Copper Heights, similar to Luna/Luna Pointe with a couple slightly larger plans. Copper Heights is a higher-end product compared to Estrella with finishes such as tile versus vinyl in kitchen and baths, laundry room cabinetry and sinks, larger baseboards, tile versus fiberglass bath and showers and some upgraded fixtures throughout.

Within Luna there are some options which change the square footage. These relate to their Plan L-2 which is shown as 2,244 square feet in the brochure while some permits show 2,252 square feet. For purposes of this report we are using the 2,244 square footage as shown in the brochure. Additionally Plan L-4 is shown in the brochure as 2,541 square feet. Two permits were been pulled with sizes of 2,473 square feet. For purposes of this analysis, all

Plan L-4 will be valued as shown in the brochure with 2,541 square feet.

We have reviewed sales information from the builder which included the homes closing from September 2014 through November 15, 2016. Per DR Horton, Estrella actual sales prices ranged from $359,705 to $465,000, Luna/Luna Point actual sales prices ranged from $382,490 to $515,407 (not including the model homes) and Copper Heights actual sales and current escrow prices range from $462,490 to $536,605. Per our review of the Multiple Listing Service there have been no resales of homes within the subject property. Estrella and Luna are sold out with Copper Heights current base asking prices from $467,990 to $502,990. The houses which are over 95 percent completed are detailed below.

Plan	Room Count	Floors/ Parking	Sq. Ft.	Ind. Owned	Bldr. Owned
Zone A – Estrella at Copper Sky:					
E-1	3 / 2.5	2 / 2	1,727	21	0
E-2	4 / 3	2 / 2	2,062	24	0
E-3	4 / 3	2 / 2	2,161	27	0
Subtotal				72	0
Zone B – Luna/Luna Pointe at Copper Sky					
L-1	3 / 2.5	2 / 2	2,115	10	0
L-2	4 / 3	2 / 2	2,244	22	0
L-3	4 / 3	2 / 2	2,343	14	0
L-4	4 / 3	2 / 2	2,541	23	0
L-5	5 / 3	2 / 2	2,630	23	0
Subtotal				92	0
Zone B – Copper Heights at Copper Sky					
C-1	5 / 3	2 / 2	2,244	5	1
C-2	5 / 3	2 / 2	2,343	1	1
C-3	4 / 3	2 / 2	2,523	4	4*
C-4	5 / 3	2 / 2	2,716	4	7*
Subtotal				14	13
Total				**178**	**13**

*One of each of these plans is a model home. In addition to the above shown houses, there are 18 houses under construction and 15 remaining lots within Copper Heights.

RIVERSIDE COUNTY HOUSING MARKET

In analyzing the area's housing market, population growth and economic conditions need to first be considered.

Population

The County population grew at a 1.3 percent increase over the past year. This compares to the 2.5 percent average annual percentage increase over the previous sixteen years. The slowdown in population growth is primarily due to the sluggish national economy. This slowdown is similar to other Southern California counties during this time period. Predictions are for the County to grow at an average annual rate of 1.4 percent over the next four years. This equates to an increase of approximately 35,000 residents per year suggesting the need for about 10,000 homes per year within the County.

Economic Conditions

Over the past twenty-five years the Inland Empire has seen various cycles in the housing market. The recession of the early 1990s impacted the Inland Empire significantly and resulted in a longer recovery period than in other areas of Southern California. The rise and then fall of housing prices in the Inland Empire between 2004 and 2009 was considerably steeper than almost anywhere in the state. Unfortunately, this means that the people who bought near the peak of the market likely faced significant negative equity. After essentially remaining flat for a few years, housing prices began to increase in late 2012 with significant increases in 2013 and a slower growth since then. The appreciation since 2012 helped alleviate the negative equity situation in the Inland Empire.

Economic growth in the Inland Empire was strong between 2002 and 2007. Job losses occurred between 2007 and 2009, with a leveling out in 2010, a slight upturn in 2011, and generally increases since that time. The unemployment rate for the MSA was 6.2 percent in September 2016, significantly lower than the high of 15.1 percent in July 2010. The

current rate is slightly higher than California's unemployment rate of 5.3 percent and higher than the September 2016 National rate of 4.8 percent.

The housing market was a significant factor in increasing the impact of the Great Recession. Due to increased interest rates and rising home prices between June 2004 and mid-2006, the mortgage lender reaction was to create non-conventional financing alternatives such as sub-prime and non-conventional mortgages to artificially maintain the boom housing market of 2004 and 2005. In 2007 the housing market saw a shake-up due to the problems in the sub-prime and non-conventional mortgage markets. In March 2007 the Federal Government initiated efforts to stop or limit sub-prime mortgages. Unfortunately the damage had already been done with sub-prime mortgages playing a role in the 2008 shake out of the housing market and contributing significantly to the U.S. economic downturn. Due to stricter income verification on new loans and the lack of available credit, coupled with job losses and declining home prices, sales of both new and existing homes slowed for the next few years. With the exception of a small increase in 2010, primarily due to government offered homebuyer credits, prices/sales essentially remained flat until mid-2012 when prices began a steady climb with double-digit increases into 2013 with a slower appreciation since that time. Over the past year overall home prices in Eastvale have increased an average of 2.5 percent on a year over year basis.

There were several factors aiding the recent price appreciation. These include limited supply, high prices and constrained lending. The main factor in prices rising is an imbalance in supply and demand. Near the bottom of this past real estate cycle it was not financially feasible to develop land and build a house in portions of Riverside County. Thus land development slowed, significantly restricting new housing supply. In addition to limited supply, home ownership across the U.S. declined to 62.9 percent in second quarter 2016 from a high of 69.2 percent in 2004. This downward trend in home ownership was anticipated to continue to decrease until stabilization which was estimated to occur at 63 percent. Recent third quarter estimates have come out estimating home ownership within the U.S. at 63.5 percent suggesting the downfall may be stabilizing.

One major cause of slow sales of homes in the area is thought to be the Federal Housing Authority ("FHA") Loan Limits. The FHA helps first time buyers by allowing a three percent down payment for a home purchase rather than the conventional twenty-percent down. During the recession the FHA Loan Limits were increased in order to make financing via the FHA easier. However in January 2015 the FHA loan limits were reduced with the current maximum amount in Riverside County at $356,500. Based on a three percent down payment (minimum allowed with FHA financing) suggests the price paid for a home would be in the $370,000 range. While this may be a good number for some areas in Riverside County, Eastvale's median home price is over $509,000 which is over the County's FHA financing limit. This suggests 20 percent down for a conventional loan is over $100,000 for Eastvale's median home price making a down payment unobtainable for most new home buyers.

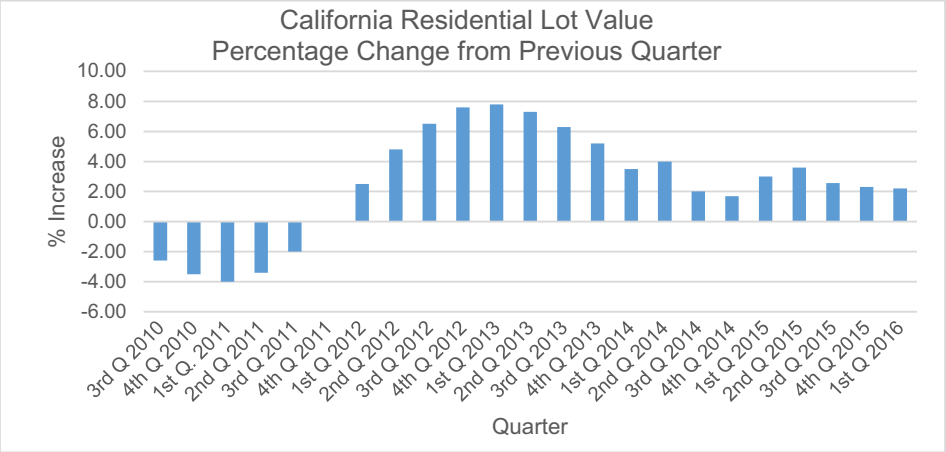
Home loan mortgage rates were playing a large part in the housing market. The Federal Reserve had held mortgage rates at all-time lows for the past few years in an attempt to assist the housing market. Low rates appeared to help for quite a while however first time buyers are now having an extremely hard time entering the housing market. While there was a small increase in the Fed rate by the Board in December 2015,it didn't appear to affect mortgage rates thus far in 2016. The Federal Reserve had stated rates will be increased at a very slow rate and tied to such things as the U.S. economy, the global economy and inflation. The Board has signaled there may be a second increase in December 2016. The recent election, bringing an administration change in 2017, may have an effect on mortgage rates, however it is too soon to tell at this time. The current quoted rates for a 30-year fixed mortgage per FRED (Federal Reserve Economic Data) as of November 17, 2016 are 3.94 percent. This is up from an average of 3.5 percent over the first 10 months of 2016, possibly due to the Board suggesting an increase next month.

Residential Land Development

While there had been little land development going on in most of the Inland Empire during the years 2008-2011, the second half of 2012 saw a resurgence. This was clearly visible in Eastvale, Ontario Ranch and Jurupa Valley. The increase in housing prices coupled

with the limited availability of supply made land development feasible once again for homebuilders.

On a national front, it appears the slowdown in home sales may have curbed the growth of residential lot prices. Per the Lincoln Institute of Land Policy, prices for residential lots in California began having a slower growth in 2nd quarter 2013 with a sort of stabilization occurring around 3 percent in 2014 and 2015. The California average of finished lot price increases (and decreases) are shown on the chart below.



Source: Lincoln Institute of Land Policy

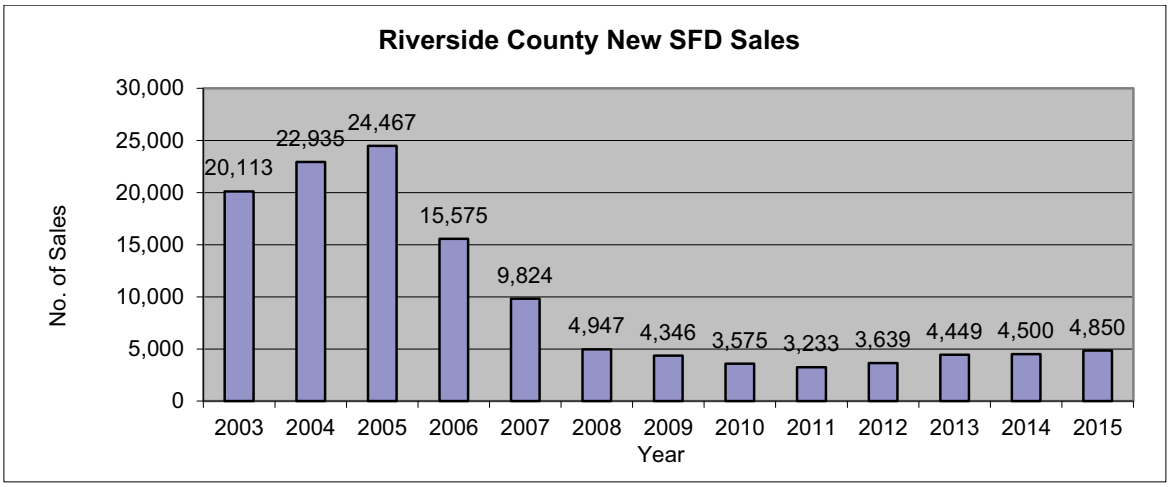
While Eastvale is nearing build-out, new projects are being developed in the surrounding communities, all within five miles of the subject property. Within southern Jurupa Valley (adjacent to the east of Eastvale) there are eight new home projects currently selling, The Ontario Ranch (adjacent to the north of Eastvale) has fourteen new home projects currently selling and Chino's The Preserve (adjacent to the west of Eastvale) has three new home projects currently selling. Our search for land sales resulted in 11 sales since mid-2013 which are considered to be comparable to the subject property (listing located in Addenda).

New Home Sales and Pricing

We have researched single family detached homes within the subject real estate market in order to reflect residential trends. Sales of new-detached homes within the County rose significantly beginning in 2000 until 2005/06, declined between 2006 and 2011 followed by increases in 2012 and 2013 with home sales essentially flat until recently. In

the second quarter 2016 (latest new home information available), new home sales in Riverside County are up 4.3 percent year over year or from 1,289 sales in second quarter 2015 to 1,344 sales in second quarter 2016. While new detached home sales have increased, they are still well below the peak of the past cycle. It should be noted these sales and prices pertain to New Home Sales while later in this section we discuss existing home sales.

Below is a graph showing Riverside County detached new home sales between 2003 and 2015 (source – John Husing). It is interesting to note that average annual new home sales are still at a level that is approximately one-quarter of the average annual new home sales between 2003 and 2006. Projected new home sales numbers for 2016 based on first half actual sales suggest 2016 new home sales of 5,032, an increase of 3.7 percent over 2015. It should be noted that the 2016 total projected new home sales relates to the projected demand of 10,000 new homes in the County based on population growth. This difference depicts the anomaly that is occurring in the Inland Empire where new home building is not keeping up with population growth. Most economists opine that this is occurring due to Millennials not buying houses at the same age as previous generations, Millennial student debt restricting their purchasing power, multi-generational homes, FHA loan limits and residents deciding to rent rather than purchase a home.



Source: John Husing Quarterly Reports

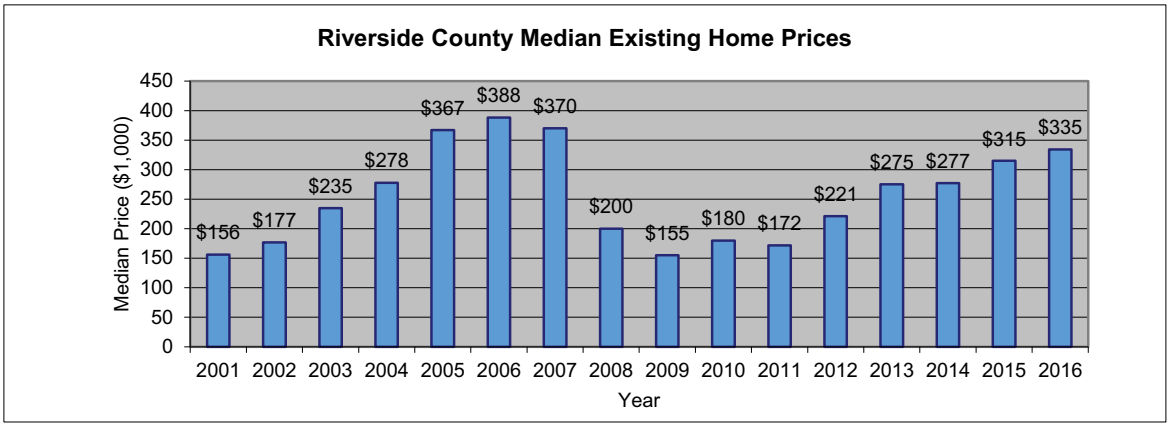
New single-family detached home pricing in Riverside County has also seen changes, however, not as drastic as the changes in sales numbers. The median new home price changed from $520,152 in 3rd quarter 2006 to $275,000 in 1st quarter 2009 (decrease of 47 percent) while the current new home median price is $404,500 per John Husing, an

area economist's 2nd quarter 2016 information. This reflects an increase of over 47 percent from the bottom of the cycle and an increase of 4.8 percent year-over-year. New home sales prices fluctuate based on the land value more than the cost of building the home. While finishes and sizes of homes can change, the basic costs on a per square foot basis do not fluctuate as much as land values; however, there has been inflationary increases in construction costs adding to this increase.

Our search for comparable new home projects within Eastvale resulted in six new home projects (including the subject projects) within the immediate area with pricing generally ranging from $430,000 to $500,000.

Existing Home Sales and Pricing

The median existing home price in the Riverside County of $334,500 (as of September 2016 per CoreLogic) is up over 100 percent from the low in second quarter 2009 ($155,100) and up 6.2 percent from the previous year' ($315,000). It should be noted that the median existing home price in Riverside County is still down almost 14 percent from the median price at the peak in 2006 ($388,000). Thus, even though the housing market appears to be recovering, it is still below the previous cycle's peak.



According to CoreLogic, within Southern California (Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange counties) the median price paid for a home (both new and existing) in September 2016 ($460,000) is up 5.7 percent from last year. The current median existing home price is 8.9 percent below the peak in mid-2007 when the median price was $505,000 and up 86 percent from the low point of the cycle which was

a $247,000 median price in April 2009. Home sales in Southern California were down 0.8 percent in overall Southern California in September based on a year to year change, and down 9.5 percent on a month to month basis. Shown below is a table comparing September 2015 to September 2016 for both new and existing home sales and pricing in Southern California by county and for Southern California as a whole.

Southern California (New and Existing) Home Sales						
County	**No. Sold Sept 15**	**No. Sold Sept 16**	**Percent Change**	**Median $ Sept 15**	**Median $ Sept 16**	**Percent Change**
Los Angeles	7,266	7,004	-3.6%	$490,000	$526,000	7.3%
Orange	3,193	3,192	0.0%	$615,000	$640,000	4.1%
Riverside	3,446	3,424	-0.6%	$315,000	$334,500	6.2%
San Bernardino	2,554	2,602	1.9%	$268,500	$298,250	11.1%
San Diego	3,633	3,786	4.2%	$460,000	$495,000	7.6%
Ventura	1,001	919	-8.2%	$499,000	$500,000	0.2%
SoCal	**21,093**	**20,927**	**-0.8%**	**$435,000**	**$460,000**	**5.7%**

Source: CoreLogic Sept 2016

Based on September 2016 median new and existing homes prices, in comparison to the majority of the surrounding counties, Riverside County has a definite price advantage. The “Riverside County Advantage” (price difference between Riverside and surrounding counties) is $160,500 as compared to San Diego County, $191,500 as compared to Los Angeles County, $165,500 as compared to Ventura County and $305,500 as compared to Orange County. That is, in September 2016, the median priced home in Riverside County was $305,500 or 48 percent less than the median priced home in Orange County ($640,000). However, San Bernardino County has a $36,000 price advantage over Riverside County. As the price advantage widens, homebuyers are typically more open to commuting to further out areas.

In a separate attempt to capture the increase in home prices, the resale activity of existing homes in the subject area (per CoreLogic) has been reviewed. The number of sales and sale prices of existing homes within market areas in the immediate area of the subject are shown in the table on the following page.

Community Name	Border To Subject	Sales of SFD Homes Sept. 2016	Sept 2016 Price Median SFR	Sept 2015 Price Median SFR	Price % Change from Sept 2015
Corona	Subject	314	$455,500	$425,000	7.2%
Ontario	Northwest	168	$375,000	$341,000	10.0%
Norco	South	33	$495,000	$452,500	9.4%
Mira Loma/Jurupa Valley	Northeast	65	$480,000	$470,000	2.1%
Chino	West	115	$450,000	$415,000	8.4%
Riverside	East	452	$345,500	$320,000	8.0%

The table above depicts price changes over the past year on single-family home sales prices and includes detached, condominiums and new homes. Eastvale's average home sales price is $505,000, higher than the average of the Corona market where it is included. It should be noted that the highest price point (in Norco) saw the lowest price increase year over year. As mentioned, the Eastvale market averaged a 2.5 percent increase over the past year. The above price increases relate to CoreLogic's overall Riverside County increase of 6.2 percent year over year.

Copper Sky **Sales and Pricing**

Copper Sky began sales of homes in April 2014 with the first closing occurring in September 2014. There have been a total of 193 sales with 178 closed to date. The sales rate equates to an overall average per month of 6.43 home sales (combined Estrella, Luna/Luna Pointe and Copper Heights), considered good for the subject market. Sales prices within Estrella and Luna appeared to be high when the project opened for sale in 2014, were reduced in early 2015 and then rose steadily until sell out. When comparing actual sales prices within Luna/Luna Pointe to actual sales prices within Copper Heights (only remaining product for sale) there appears to have been about an eight percent price appreciation overall, however a portion of this is offset by Copper Heights having some larger sized homes. Our search for competitive new home neighborhoods resulted in six active single-family home projects which are listed in the Addenda. Four of the competitive projects are located in Eastvale, one is in Jurupa Valley and one is located in the Ontario Ranch, approximately one mile north of the subject property.

Summary

Riverside County saw a substantial increase in both sales and pricing between mid-2012 and late 2013. It appears the significant appreciation of homes slowed to a more normal sustainable rate since then. New home sales are still below the previous peak and also below historical averages. The Eastvale residential land market is essentially built out due to the limited availability of land with only one mapped site for sale in the area. The decrease of product has helped to increase price appreciation on new homes in Eastvale. The subject project is nearing build-out and has experienced good to very good sales rates with the prices overall appearing to increase since the Copper Sky opened in April 2014. Loans are still difficult to obtain, however rates, while increasing slightly, continue to be near historical lows. While uncertainty due to the new Administration is clouding the 2017 housing market, most observers are in agreement that the housing market is still gaining strength and healthy population growth is still occurring in the County. It is believed that as population continues to increase, housing growth will continue.

HIGHEST AND BEST USE ANALYSIS

The highest and best use is a basic concept in real estate valuation due to the fact that it represents the underlying premise (i.e., land use) upon which the estimate of value is based. In this report, the highest and best use is defined as:

> *"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"*[5]

Proper application of this analysis requires the subject properties to first be considered "As If Vacant" in order to identify the "ideal" improvements in terms of use, size and timing of development. The existing improvements (if any) are then compared to the "ideal" improvements to determine if the use should be continued, altered or demolished preparatory to redevelopment of the site with a more productive or ideal use.

"As If Vacant"

In the following analysis, we have considered the sites probable uses, or those uses which are physically possible; the legality of use, or those uses which are allowed by zoning or deed restrictions; the financially feasible uses, or those uses which generate a positive return on investment; and the maximally productive uses, or those probable permissible uses which combine to give the owner of the land the highest net return on value in the foreseeable future.

Physically Possible Uses

The subject property consists of 39.99 gross acres and 31.86 net acres per Tract Map 34014. The site is located in the central portion of the City of Eastvale in Riverside County. The site's topography was generally level at street grade of Scholar Way and Schleisman Road, both improved at subject property. The property was previously used for agriculture with a portion used as a dairy farm. The site is considered an in-fill site surrounded by existing residential development and schools. The parcel has been developed into 29 condominium lots to support 224 single-family units along with internal

[5] The Appraisal of Real Estate, 11th Edition

streets complete and set-back areas from the surrounding streets completed and landscaped along with a detention basin constructed within the site to alleviate run-off. We have reviewed Geotechnical Reports which covered the subject property. We have not reviewed a Phase I Environmental Site Assessment however we have reviewed Methane Studies prepared for the site. All studies reviewed concluded the property was suitable for residential development. It is an assumption of this report that the soils are adequate to support the highest and best use conclusion, that any methane was mitigated as recommended in the reports, and that there are no environmental issues which would slow or thwart development of the site. This is evidenced by City approvals along with City inspectors on site during construction.

An engineered drainage system appears to have been designed into a street drainage system to alleviate any potential flooding problems and to control project water runoff. All standard utilities serve the subject property. The site has good access via I-15 and State Route 60 via Limonite and Hamner Avenues.

Based on the physical analysis, the size, access and topography make the subject property physically suited for numerous types of development; however, the grading and development that has occurred on the site suggests single-family residential use.

Legality of Use

The subject property is located within the incorporated City of Eastvale in the County of Riverside. Per the City the subject property is designated as MHDR (Medium High Density Residential) per the General Plan and is zoned R-3 which allows for minimum 7,200 square foot lots. In addition Tract Map 34041 was recorded March 13, 2014 and divides the property into 29 condominium residential lots which is consistent with the R-3 requirement of minimum 7,200 square foot lots. The 29 condominium lots accommodate 224 residential units on the 39.99 gross acres resulting in a density of 5.60 dwelling units per acre which is within the MHDR allowed range of 5 – 8 dwelling units per acre. There are 72 cluster units and 152 more traditional small lots with traditional street frontage. Each homeowner purchases the land associated with their unit rather than a typical condominium ownership with the homeowners association owning the lands. The

approved mapping is consistent with both the current zoning and general plan designation on the property. Based on the legality of use analysis, the type of development for which the subject properties can be utilized is narrowed to residential use. This is consistent with the findings of the physically possible uses.

Feasibility of Development

The third and fourth considerations in the highest and best use analysis are economic in nature, i.e., the use that can be expected to be most profitable. As discussed under the Riverside County Housing Market section earlier within this report, the Eastvale market showed good absorption and increases in pricing over the past two years. Within JCSD CFD No. 47, out of the total 224 proposed homes there are 178 individually owned homes with 15 of the remaining 46 in escrow and due to close at completion. All structures appear to be in excellent condition with no physical depreciation apparent.

Within the new home market in Eastvale, home prices that had previously fallen over 40 percent increased significantly in the past eight years. Current pricing is still however, below the peak of the market. While sales numbers have stabilized, they are still below historical averages. The foreclosure market which had affected the new home market in Eastvale appears to have worked through the issues and there are limited short sales or foreclosure homes on the market in the immediate area. Population growth is still occurring in the area and will continue to create the need for housing. This is evidenced by new housing developments currently selling with good absorption rates in Eastvale and surrounding cities.

There are currently five active, new home communities within Eastvale, however two projects are nearing close-out. Three of the remaining five projects (*The Lodge* by KB Home, *The Trails* by DR Horton and Copper Sky by DR Horton - Subject Property) are small lot developments with alley loaded or courtyard products, one is an attached condominium project (*Nexus* by William Lyon Homes), with the final project (*Mill Creek Crossing* by Lennar) having minimum lot sizes in the 7,200 square foot range. While there is one remaining mapped property within Eastvale, builders are now developing lots

in the nearby areas of Jurupa Valley, Ontario and Chino as Eastvale has essentially run out of easily developable lots.

Based on the above analysis, the highest and best use for the subject property appears to be for single-family detached residential development.

Maximum Productivity

The current housing market is giving some mixed messages. While population is still growing, home sales are still well below historic average rates and prices are rising. High prices, limited financing choices and limited credit availability are making it hard for first time buyers to enter the housing market. However the limited availability of homes for sale, population growth and low interest rates all point to demand for new housing in the subject area with upward pressure still being placed on prices. Based on the current active projects in the area coupled with population growth projected in the subject marketplace, it is our opinion that the subject property is feasible for residential development.

Highest and Best Use Conclusion – "As If Vacant"

The final determinant of highest and best use, as vacant, is the interaction of the previously discussed factors (i.e., physical, legal, financial feasibility and maximum productivity considerations). Based upon the foregoing analysis, it is our opinion that the highest and best use for the subject property "As if Vacant" is for residential development.

Highest and Best Use – "As Improved"

The subject property consists of Copper Sky which is being built out into essentially three products by DR Horton. DR Horton began the development in 2013 with the first home closing in September 2014. Since opening for sale in April 2014, DR Horton sold 193 homes (closed 178) which equates to an average sales rate of 6.43 homes per month. On a per project basis, Estrella at Copper Sky sold out in April 2016 with average pricing of $410,462 for the 72 homes suggesting an average sales rate of 3.0 homes per month. Luna/Luna Pointe at Copper Sky began sales in June 2014 with the final sale in July 2016 with average pricing of $454,595 suggesting an average sales rate of 3.68 homes per

month. Copper Heights opened for sale in April 2016 with 29 homes sold to date at an average home price of $496,797 suggesting an average sales rate of 4.14 homes per month. All of these sales rates are considered to be good for the subject market. Our search of the local MLS revealed there have been no resales or current listings within the subject property. The homes appear in excellent condition with no physical depreciation of structures visually apparent. The sales rates within the competitive projects in the immediate area suggests there is demand for new homes in the current market with current financing rates. All of the homes are of good design and appear to be of good quality workmanship. Based on the subject neighborhood's sales rates, it is our conclusion that the highest and best use for the subject property is for the continued use, as improved.

VALUATION ANALYSES AND CONCLUSIONS

The Sales Comparison Approach will be used to value the subject property. This approach compares similar properties that have recently sold or are in escrow. In determining the value for the property, a unit of comparison needs to be addressed. For detached single-family houses, including small, cluster and condominium lots such as the subject, the units are typically sold on a finished lot basis. That is, the sales price is determined by a finished lot value and then the remaining costs to develop the property to a finished lot condition are taken into account in the sales price. Therefore, in determining a current market value for the lands, the current condition of the lots will be considered. In the case of the existing home valuations, a single new-home sale is the unit of comparison. Our search will include all new home projects within the Eastvale and surrounding market area to find comparable new homes for sale. In determining the value for each house, a base value will be concluded for each plan which will be considered a minimum market value as most buyers typically purchase some premiums, upgrades or options which increase the price of the home.

The valuation will be presented as follows. First, a discussion of the single-family detached small lot market data will be given. Each of the comparable market data (on a finished lot basis) will be detailed along with a comparison discussion of their relationship to the subject property. The remaining construction costs, if any, will be taken into consideration. This analysis will be followed by a finished lot value conclusion. Houses which are under construction (under 95 percent complete) will be valued on the basis of a finished lot rather than attribute value to a partially complete improvement. In the case of the completed (over 95 percent complete) builder owned models and production units, the homes will be valued using the Sales Comparison Approach to value to conclude on a retail value for each plan, followed by a Discounted Cash Flow ("DCF") Analysis due to the single ownership. The DCF will take into account the fair market value of the completed homes (utilizing the Sales Comparison Approach), remaining development costs (if any), the marketing and carrying costs associated with selling off the homes, a profit due to the developer of the homes, and a discount rate reflecting both the risk associated with selling off the homes along with the time value of money during the

estimated absorption period. In the case of the individually owned homes, a concluded base value will be used for each plan and a mass appraisal technique will be addressed. In determining the concluded base value, new home sales in the area will be reviewed and compared with sales of the subject completed homes using standard methodology and statistical testing. All of the value conclusions will take into consideration improvements funded by the JCSD CFD No. 47 Special Tax Bonds and their lien. A summary of the final value conclusions will be reported at the end of this valuation section.

Market Data Discussion – Detached Residential Lots

Within Copper Sky there are 15 remaining lots plus 18 homes under construction that are under 95 percent complete. These homes under construction will be valued on the basis of a finished lot rather than attribute value to a partially completed home, therefore 33 lots will be valued, all within Zone B.

We have searched the area and found the 11 transactions summarized in the Addenda to be most comparable to the subject property. The sales are reported both on a purchase price basis (when available) and on a finished lot basis. The actual purchase price is typically less, depending on the condition of the land (lots) at the time the property was acquired. Although some sales refer to "finished lots", they are typically physically finished lots with some fees remaining to be paid in order to be considered true finished lots. Below are the details of each of the comparable land sales along with a discussion of each transaction in relationship to the subject lands.

Land Sale No. 1 refers to the most recent closing in the market area. Tripoint Homes purchased 68 lots which is the first closing within the second phase of Park Place in Ontario Ranch. Please refer to Land Sale Nos. 7, 8 and 9 for closings within the first phase of Park Place. This location is in Ontario, San Bernardino County, approximately one mile northwest of the subject off Archibald. *Park Place* is currently approved for 2,291 detached units and 87,000 square feet of commercial development. Plans call for multiple community parks, a clubhouse with 24-hour fitness center, a conference room and theater. It is being developed in a partnership between Lewis Community Development

and Stratham Communities. Tripoint Homes purchased these 68 lots with a minimum size of 3,825 square feet, on November 4, 2016. The seller transferred partially finished lots based on a finished lot price of $180,000. This compares to Land Sale No. 8 which has the same size lots and sold in December 2013 for $224,297 per finished lot or approximately $44,000 less per lot. This reflects the tough start which occurred in Park Place which resulted in home price decreases. In comparison to the subject property this sale is considered to be inferior due to location.

Land Sale No. 2 pertains to the second take down of condominium lots which closed in January 2016. KB Home purchased the remaining 143 lots of a total of 350 lots (please refer to Data No. 10 for the original purchase). These lots were under an option with the seller, Silveira Dairy Investment, LLC, a related entity to Stratham Homes. This site, which contains 15.73 acres, closed on January 21, 2016 for $20,239.500 or $141,534 per lot. Based on the same finishing costs from the previous purchase ($78,415 per lot) suggests a finished lot basis of $219,949. The property is mapped for detached condominiums however the buyer stated the lots are an average of 3,000 square feet based on the total 350 lots, similar to the subject property. KB Home originally sold Harmony, Elation and Serene at The Lodge. The Elation product is currently on hold per the sales office and they have opened Symmetry at The Lodge. Symmetry has home sizes from 2,325 to 2,570 square feet with prices generally from $460,000 to $490,000. In comparison to the subject, this sale is considered to be similar.

Land Sale No. 3 refers to the closing of 206 lots located about three miles northeast of the subject property in the southern portion of the City of Jurupa Valley. Pulte Group purchased the site based on a reported $205,000 to $210,000 finished lot in December 2015. The lots have a minimum lot size of 7,200 square feet however all lots fronting the surrounding streets are minimum 10,000 square feet. The seller is WS-JSE Investments, LLC who purchased the property along with Data No. 6 from IDI, an industrial developer in December 2012 for $23,700,000 or based on a reported finished lot price at the time of $175,000. WE-JSE Investments mapped the entire property for 423 single family detached lots. Pulte Homes purchased 206 of the 423 mapped lots while DR Horton purchased the remainder of the site (please refer to Data No. 5). While this transaction closed in December 2015, the buyer was allowed to commence grading of the site prior

to closing making it advantageous for the buyer. The Tract Map contains 71.01 gross acres with 12.72 acres of parks, detention basins and surrounding streets included in the gross acreage bringing the net acreage to an estimated 58.29 acres. In comparison to the subject property Jurupa Valley is considered to be inferior to Eastvale. We have reviewed the median price of a home in Jurupa Valley versus Eastvale and there is a $42,500 difference per Trulia with the median price of a home in Eastvale currently at $462,500 versus the median price of a home in zip code 91752 (southwest portion of Jurupa Valley) at $420,900. When comparing to the subject property this site is considered to be inferior in location and superior in lot size (7,200 square feet versus the subject property's condo/small lot concept).

Land Sale No. 4 pertains to the January 2015 closing of over 200 acres located approximately three miles east of the subject, along the Santa Ana River in Jurupa Valley. Lennar purchased the 466 mapped lots for $72,850,000 or an average of $156,320 per lot. The lots range in size from 4,000 to 7,200 square feet with reported finished lot prices in the $250,000 to $280,000 range. This appears to be high for the Jurupa Valley market. Lennar purchased the site from CV Communities who had an option of the property for several years from the Ter Maaten Family Partnership. CV Communities optioned the site for $15,000,000, processed mapping on the property and obtained all approvals through grading permits and sold the option for the reported price to Lennar. Lennar began grading the site in early 2015. Reportedly Lennar had been talking to other builders to sell some of the lots however we were unable to verify any asking prices. Lennar is currently marketing three new neighborhoods, Harmony with 4,000 square foot lots, Serenity with 5,000 square foot lots and Tranquility with 6,000 square foot lots, all within the master planned community of Riverbend. In comparison to the subject property this site is considered to be inferior in location, however the reported finished lot prices appear to be high in comparison to other Jurupa Valley land sales.

Land Sale No. 5 refers to the October 2014 sale of 122 lots located in Eastvale. This parcel is located approximately two miles southwest of the subject along the western border of the City of Eastvale. Lennar purchased the 7,200 square foot lots from McCune et al for $16,983,500 or about $140,000 per lot. This site was within a flood plain and needed a significant amount of soil to bring it up to street grade. Lennar was able to

purchase a site across Hellman for $115,000 and use the dirt to bring this parcel up to street grade. The finished lot estimate was in the $250,000 to $265,000 range. Lennar is now selling their Mill Creek Crossing neighborhood on the site which has enjoyed a good absorption rate and is nearing sell-out. Mill Creek Crossing has base prices in the $520,000 to $680,000 range. Mill Creek Crossing is one of the last new home neighborhoods in Eastvale being offered for sale on 7,200 square foot lots. The remainder of the new home detached projects in the City are all small lot neighborhoods or condominium lots (such as the subject property). In comparison to the subject property, this location is considered to be similar however the lot size is considered to be superior (7,200 square feet versus small lot/condominium).

Land Sale No. 6 pertains to the April 2014 closing of a 217 lot project located adjacent to Land Sale No. 3 approximately five miles northeast in Jurupa Valley. At time of purchase the site was mapped for 217 single family detached lots with a minimum lot size of 7,200 square feet. The seller, WS-JSE Investments, LLC purchased the property and additional residential lands (Data No. 3) from IDI, an industrial developer in 2012. After mapping the property for residential development. WS-JSE Investments sold 217 of the total 423 lots to DR Horton in April 2014 based on a finished lot price of $210,000, per the buyer. According to the broker there was good activity and several offers from public builders with DR Horton having the best offer on the property. In comparison to the subject property this transaction is considered to be inferior in location however superior in lot size.

Land Sale Nos. 7, 8 & 9 all pertain to sales located within the first phase of *Park Place* (also known as "Sub Area 29), a planned community within the Ontario Ranch (formerly known as the New Model Colony). Please refer to Land Sale No. 1 for a Phase II sale. At time of Phase I sales, infrastructure was complete with improvements to Archibald in place, however access was considered to be poor as none of the other surrounding arterials were in place. The first phase of grading for interior streets and improvements within Park Place was nearing completion at time of these sales in December of 2013. The first phase of closings included 432 units within seven planning areas. We have reported three sales with similar sized lots to the subject, That is, the lots range in size from 2,800 square feet to 3,825 square feet. While the subject property is under a

condominium map, the actual private areas range from 2,800 to 3,500, similar to small lots. These three sales were purchased by KB Home and Tripointe Homes,. All three transactions closed in December 2013. All transactions were sold in a "beyond blue-top condition with mass grading complete, streets cut in, lots terraced and utilities stubbed to the site. In addition, some internal streets were completed at time of sale. The purchase prices based on a finished lot ranged from $197,627 to $248,754. The finished lot prices included a CFD on the property similar to the subject CFD. When comparing three sales to the subject property some adjustments are needed. The first is due to date of sale. These sales closed in December 2013 when the Ontario residential land market was considerably stronger. Our search resulted in one new land sale in Ontario Ranch in 2016. These three neighborhoods opened with extremely low sales rates in 2014 and had several price decreases until 2015 when some price increases began to occur. Within these projects home prices were reduced between $17,000 and $40,000 in order to boost absorption. A portion of the slow sales within Park Place was due to the inadequacy of circulation within Ontario Ranch. Throughout late 2014 and all of 2015 Archibald was under construction and was the only entrance into the master planned community. Once surrounding streets were completed, absorption rates within the neighborhoods of Park Place began to rise. In comparison to the subject, this location is considered inferior due to the poor access. It appears the prices paid were over market as the builders had to reduce sales prices within these projects.

Land Sale No. 10 is in regards to the sale of the first portion of an approximate 40 acre site that sold along the north side of Limonite about 1.5 miles north of the subject, in the City of Eastvale. This site was one of the last, easy to develop sites in Eastvale (along with Land Sale No. 11). The property is mapped for 350 units however this sale refers to a portion of the site mapped for 207 detached units with a minimum lot size of 3,000 square feet (Please refer to Data No. 2 for the remaining 143 lots). KB home purchased the site with a formed CFD on the property based on a finished lot value of $208,661. Since the purchase, KB Home at first cancelled the CFD (approximately $26,000 per lot) which increased the finished lot price to the $235,000 range, however then re-formed a CFD and is now attributing an estimated $35,000 to the CFD suggesting the finished lot price would now be in the $200,000 range. We will use the original purchase price with

the original estimated CFD in our analysis as it is considered most similar to the subject. This property closed in mid-2013, before the synergistic market of late 2013, however after some of the appreciation had occurred. KB Home had an option to purchase the remaining portion of the site (pleases refer to Land Sale No. 2). In comparison to the subject property this site is considered to be similar.

Land Sale No. 11 pertains to the sale of 224 small lots located in Eastvale. DR Horton purchased this site and developed The Trails which is now nearing buildout. The property is located at the northwest corner of 65th Street and Archibald. DR Horton closed on the property in June 2013 based on a finished lot price of $222,996 for the 3,750 square foot small lots. The property was located in a Planned Unit Development, thus a condominium map was not needed. At time of sale the property was raw with approved mapping. This site rears to an Edison easement with high power lines. In comparison to the subject his site is slightly inferior due to the Edison Easement.

The following chart summarizes the considerations used in adjusting the market data to the subject property.

Data No.	Location	Date of Sale	Lot Size	Finished Lot Price	Comparison to Subject
1	Park Place Ontario Ranch	11/16	3,825	$180,000	Inferior - Location
2	Eastvale	1/16	3,000	$219,949	Similar
3	Jurupa Valley	12/15	7,200+	$205,000 - $210,000	Inferior – Location Superior – Lot size
4	Jurupa Valley	1/15	4,000 – 7,200	$250,000 – $280,000	Inferior – Location Superior – Lot size
5	Eastvale	10/14	7,200	$250,000 – $265,000	Superior – Lot size
6	Jurupa Valley	4/14	7,200	$210,000	Inferior – Location
7	Park Place, Ontario Ranch	12/13	2,800	$197,627	Inferior – location Superior – Home price decreases
8	Park Place, Ontario Ranch	12/13	3,825	$224,297	Inferior – Location Superior – Home price decreases
9	Park Place, Ontario Ranch	12/13	3,600	$230,580	Inferior – Location Superior – Home price decreases
10	Eastvale	7/13	3,000	$208,661	Similar
11	Eastvale	6/13	3,750	$222,996	Slightly inferior location

The market data has an overall finished lot range from $180,000 to $280,000. Data Nos. 2, 10 and 11 are the most comparable in lot size and location, all located in Eastvale and are small lot or condominium lots for detached homes. While these transactions were negotiated in 2013, the small lot land market has either gone down or stayed essentially flat since that time, thus no big adjustments are considered tor date of sale. Data Nos. 3, 4 and 6 are all located in Jurupa Valley, a location which is considered inferior however all have larger lots which is considered to be superior. Data No. 4 appears to have overpaid for the area and, per brokers, the buyer was attempting to sell some lots. Data Nos. 7, 8 and 9 pertain to sales of small lots located within a master planned community with amenities associated with the community, which would be considered superior. However, the first phase of Park Place was not well received due to high price points coupled with accessibility problems. Home sales were extremely slow with well under one sale per month in most of the neighborhoods which created price reductions in early 2015 of up to $40,000. Due to the cost of building a new home remaining relatively flat, the majority of these price reductions falls to the land. Data No. 1 refers to the most recent sale in the area which is within Phase II of Park Place. The price reflects the market correct which occurred in Park Place. All of the reported prices above assume CFDs on the comparable properties. Data No. 5, which sold for around $260,000 based on a finished lot, reflects the most recent negotiated land price in Eastvale, however this transaction is considered to be superior due to the larger sized lots (7,200 square feet as compared to the subject condo/small lot). The subject lots are in a true, physically finished condition and while they are condominium lots for detached product, the market essentially treats them the same as PUD small lots. While finishing costs are taken into account in the analysis, there is also risk of development which is not typically taken into account suggesting the subject finished lots are considered to be slightly superior in condition when compared to the market data which were all purchased in a less than true finished condition. While there have been few land sales in Eastvale in the past two years, this is due to the essential build-out of the easily developable land in the City rather than low demand for new homes in Eastvale.

We have also reviewed several brokers in the area one of which was marketing a small lot residential development within a mile of the subject property. This is one of the last

developable sites in Eastvale, however it has the Edison high wire easement crossing the property. According to the broker, they were receiving good interest in the property however no offers came in and the owners pulled the property off the market. They are planning on re-marketing the site in early 2017. Within Ontario Ranch, Park Place has had a slow absorption, however, New Haven which Brookfield opened early this year has been very well received in the marketplace with their attached product selling at upwards of eight units per month. This activity suggests that the residential land market is picking up.

Based on the above market data which is considered to be good, it is our conclusion that the subject lots have a finished lot value of $220,000. However as discussed under the Property Description section earlier within this report there are remaining development hard costs and fees of $1,260,000 associated with the builder owned property. The remaining development costs are associated with all of the developer owned property, thus a portion of these costs will be considered under the builder-owned home valuation below. There are $27,391.30 remaining development costs per lot. These costs need to be considered in order for the lots to be considered true finished lots. While there are physically only 15 remaining lots, there are an additional 18 lots with homes under construction (under 95 percent complete). In this analysis the homes under construction will be valued on the basis of a finished lot rather than attribute value to a partially complete improvement. Therefore, for purposes of this analysis there are 33 lots to be valued, all within Zone B. The concluded values are shown below.

Lot Value Conclusion

33 Finished Lots x $220,000	$7,260,000
Less:	
Remaining Development Costs $27,391.30 x 33 lots	(903,913)
As Is Value for Remaining Lots	**$6,356,087**

House Valuation Analysis

Below is a summary of the various floor plans within Copper Sky. A listing of the improved residential comparable properties is located in the Addenda of this report.

Plan	Room Count	Floors/ Parking	Sq. Ft.	Ind. Owned	Bldr. Owned
Zone A – Estrella at Copper Sky:					
E-1	3 / 2.5	2 / 2	1,727	21	0
E-2	4 / 3	2 / 2	2,062	24	0
E-3	4 / 3	2 / 2	2,161	27	0
Subtotal				72	0
Zone B – Luna/Luna Pointe at Copper Sky					
L-1	3 / 2.5	2 / 2	2,115	10	0
L-2	4 / 3	2 / 2	2,244	22	0
L-3	4 / 3	2 / 2	2,343	14	0
L-4	4 / 3	2 / 2	2,541	23	0
L-5	5 / 3	2 / 2	2,630	23	0
Subtotal				92	0
Zone B – Copper Heights at Copper Sky					
C-1	5 / 3	2 / 2	2,244	5	1
C-2	5 / 3	2 / 2	2,343	1	1
C-3	4 / 3	2 / 2	2,523	4	4*
C-4	5 / 3	2 / 2	2,716	4	7*
Subtotal				14	13
Total				**178**	**13**

*One of each of these plans is a model home. In addition to the above shown houses, there are 18 houses under construction and 15 remaining lots within Copper Heights.

The most appropriate new home comparable data for Estrella Plan 1 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	E-1	3 / 2.5	2 /2	1,727	--
1	1	5 / 3	2 / 2	2,244	$206.32
2	B-1	4 / 2.5	2 / 2	2,049	$210.30
3	1	3 / 2.5	2 / 2	1,993	$219.71
4	1	3 / 2.5	2 / 2	2,325	$198.66
5	1	3 / 2.5	2 / 2	1,827	$235.55
6	1	3 / 2.5	2 / 2	2,121	$209.99

All new home comparables are located within Eastvale, Jurupa Valley or Ontario Ranch within three miles of the subject. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $198.66 to $235.55 per square foot. The highest price per square foot refers to Harmony in the master

planned community of Riverbend located along the Santa Ana River. The subject plan sold out in February 2016. Actual sales prices of this plan ranged from $208.28 to $248.34 per square foot between May 2014 and February 2016. It should be noted that the highest price paid was in May 2014 and the lowest price in August 2015 which shows Estrella entered the market at a better time with prices dropping over the first six months, then increasing since then. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan E-1 has a base current market value of $215.00 per square foot. This calculates as follows:

1,727 sf x $215.00 = $371,305

The most appropriate new home comparable data for Estrella Plan 2 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	E-2	4 / 3	2 /2	2,062	--
1	1	5 / 3	2 / 2	2,244	$206.32
2	B-1	4 / 2.5	2 / 2	2,049	$210.30
3	2	4 / 2	2 / 2	2,194	$201.86
4	1	3 / 2.5	2 / 2	2,325	$198.66
5	2	4 / 2.5	2 / 2	2,017	$222.05
6	1	3 / 2.5	2 / 2	2,121	$209.99

All new home comparables are located within Eastvale, Jurupa Valley or Ontario Ranch within three miles of the subject. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $198.66 to $222.05 per square foot. The highest price per square foot refers to Harmony in the master planned community of Riverbend located along the Santa Ana River. The subject plan sold out in April 2016. Actual sales prices of this plan ranged from $183.16 to $226.45 per square foot between May 2014 and April 2016. It should be noted that the highest price paid was in May 2014 and the lowest price in February 2015. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan E-2 has a base current market value of $205.00 per square foot. This calculates as follows:

2,062 sf x $205.00 = $422,710

The most appropriate new home comparable data for Estrella Plan 3 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	E-3	4 / 3	2 /2	2,161	--
1	1	5 / 3	2 / 2	2,244	$206.32
2	B-1	4 / 2.5	2 / 2	2,049	$210.30
3	2	4 / 2	2 / 2	2,194	$201.86
4	1	3 / 2.5	2 / 2	2,325	$198.66
5	3	4 / 3	2 / 2	2,277	$212.29
6	1	3 / 2.5	2 / 2	2,121	$209.99

All new home comparables are located within Eastvale, Jurupa Valley or Ontario Ranch within three miles of the subject. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $198.66 to $212.29 per square foot. The highest price per square foot refers to Harmony in the master planned community of Riverbend located along the Santa Ana River. The subject plan sold out in April 2016. Actual sales prices of this plan ranged from $180.39 to $213.39 per square foot between June 2014 and April 2016. It should be noted that the highest price paid was in June 2014 and the lowest price in February 2015. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan E-3 has a base current market value of $200.00 per square foot. This calculates as follows:

2,161 sf x $200.00 = $432,200

The most appropriate new home comparable data for Luna/Luna Pointe Plan 1 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	L-1	3 / 2.5	2 /2	2,115	--
1	1	5 / 3	2 / 2	2,244	$206.32
2	B-1	4 / 2.5	2 / 2	2,049	$210.30
3	2	4 / 2	2 / 2	2,194	$201.86
4	1	3 / 2.5	2 / 2	2,325	$198.66
5	3	4 / 3	2 / 2	2,277	$212.29
6	1	3 / 2.5	2 / 2	2,121	$209.99

All new home comparables are located within Eastvale, Jurupa Valley or Ontario Ranch within three miles of the subject. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $198.66 to $212.29 per square foot. The highest price per square foot refers to Harmony in the master planned community of Riverbend located along the Santa Ana River. The subject plan sold out in June 2015. Actual sales prices of this plan ranged from $190.08 to $215.17 per square foot between December 2014 and June 2015. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan L-1 has a base current market value of $200.00 per square foot. This calculates as follows:

2,115 sf x $200.00 = $423,000

The most appropriate new home comparable data for Luna/Luna Pointe Plan 2 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	L-2	4 / 3	2 /2	2,244	--
1	1	5 / 3	2 / 2	2,244	$206.32
2	2	5 / 3	2 / 2	2,343	$202.30
2	S-1	4 / 3	2 / 2	2,538	$189.58
3	2	4 / 2	2 / 2	2,194	$201.86
4	1	3 / 2.5	2 / 2	2,325	$198.66
5	3	4 / 3	2 / 2	2,277	$212.29
6	1	3 / 2.5	2 / 2	2,121	$209.99

All new home comparables are located within Eastvale, Jurupa Valley or Ontario Ranch within three miles of the subject. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $189.58 to $212.29 per square foot. The highest price per square foot refers to Harmony in the master planned community of Riverbend located along the Santa Ana River. The subject plan sold out in July 2016. Actual sales prices of this plan ranged from $170.60 to $205.57 per square foot between September 2014 and July 2016. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan L-2 has a base current market value of $195.00 per square foot. This calculates as follows:

2,244 sf x $195.00 = $437,580

The most appropriate new home comparable data for Luna/Luna Pointe Plan 3 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	L-3	4 / 3	2 /2	2,343	--
1	1	5 / 3	2 / 2	2,244	$206.32
2	2	5 / 3	2 / 2	2,343	$202.30
2	S-1	4 / 3	2 / 2	2,538	$189.58
3	2	4 / 2	2 / 2	2,194	$201.86
4	1	3 / 2.5	2 / 2	2,325	$198.66
5	3	4 / 3	2 / 2	2,277	$212.29
6	2	4 / 2.5	2 / 2	2,331	$193.62

All new home comparables are located within Eastvale, Jurupa Valley or Ontario Ranch within three miles of the subject. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $189.58 to $212.29 per square foot. The highest price per square foot refers to Harmony in the master planned community of Riverbend located along the Santa Ana River. The subject plan sold out in June 2016. Actual sales prices of this plan ranged from $186.93 to $191.84 per

square foot between August 2015 and June 2016. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan L-3 has a base current market value of $190.00 per square foot. This calculates as follows:

2,343 sf x $190.00 = $445,170

The most appropriate new home comparable data for Luna/Luna Pointe Plan 4 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	L-4	4 / 3	2 /2	2,541	--
1	3	4 / 3	2 / 2	2,523	$193.02
2	S-1	4 / 3	2 / 2	2,538	$189.58
2	S-2	3 / 2.5	2 / 2	2,690	$178.05
3	3	5 / 2.5	2 / 2	2,638	$179.64
4	2	4 / 2.5	2 / 2	2,477	$199.79
4	3	4 / 3.5	2 / 2	2,570	$190.61
5	4	4 / 3	2 / 2	2,409	$197.77
6	3	4 / 2.5	2 / 2	2,467	$184.95

All new home comparables are located within Eastvale, Jurupa Valley or Ontario Ranch within three miles of the subject. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $178.05 to $199.79 per square foot. The subject plan sold out in June 2016. Actual sales prices of this plan ranged from $175.04 to $194.86 per square foot between June 2014 and May 2016. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan L-4 has a base current market value of $182.00 per square foot. This calculates as follows:

2,541 sf x $182.00 = $462,462

The most appropriate new home comparable data for Luna/Luna Pointe Plan 5 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	L-5	5 / 3	2 /2	2,630	--
1	3	4 / 3	2 / 2	2,523	$193.02
1	4	5 / 3	2 / 2	2,716	$183.35
2	S-2	3 / 2.5	2 / 2	2,690	$178.05
3	3	5 / 2.5	2 / 2	2,638	$179.64
4	3	4 / 3.5	2 / 2	2,570	$190.61

All new home comparables are located within Eastvale. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $178.05 to $193.02 per square foot. The subject plan sold out in June 2016. Actual sales prices of this plan ranged from $166.94 to $201.84 per square foot between July 2014 and June 2016. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan L-5 has a base current market value of $180.00 per square foot. This calculates as follows:

2,630 sf x $180.00 = $473,400

The most appropriate new home comparable data for Copper Heights Plan 1 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	C-1	5 / 3	2 / 2	2,244	--
2	2	5 / 3	2 / 2	2,343	$202.30
3	2	4 / 2	2 / 2	2,194	$201.86
4	1	3 / 2.5	2 / 2	2,325	$198.66
5	3	4 / 3	2 / 2	2,277	$212.29
6	1	3 / 2.5	2 / 2	2,121	$209.99

All new home comparables are located within Eastvale, Jurupa Valley or Ontario Ranch within three miles of the subject. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD

taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $189.58 to $212.29 per square foot. The highest price per square foot refers to Harmony in the master planned community of Riverbend located along the Santa Ana River. The subject plan has a current asking price less concession of $206.32. Actual sales prices (including current escrows) of this plan range from $206.10 to $217.80 per square foot for sales between May 2016 and November 2016. The Copper Heights neighborhood has a slightly lower density than the neighborhoods of Estrella and Luna/Luna Point along with having its own pool clubhouse and meeting area. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan C-1 has a base current market value of $200.00 per square foot. This calculates as follows:

2,244 sf x $200.00 = $448,800

The most appropriate new home comparable data for Copper Heights Plan 2 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	C-2	5 / 3	2 /2	2,343	--
1	1	5 / 3	2 / 2	2,244	$206.32
2	S-1	4 / 3	2 / 2	2,538	$189.58
3	2	4 / 2	2 / 2	2,194	$201.86
4	1	3 / 2.5	2 / 2	2,325	$198.66
5	3	4 / 3	2 / 2	2,277	$212.29
6	2	4 / 2.5	2 / 2	2,331	$193.62

All new home comparables are located within Eastvale, Jurupa Valley or Ontario Ranch within three miles of the subject. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $189.58 to $212.29 per square foot. The highest price per square foot refers to Harmony in the master planned community of Riverbend located along the Santa Ana River. The subject plan has a current asking price less concessions of $202.30. Actual sales prices of this plan ranged

from $198.89 to $207.92 per square foot between May 2016 and November 2016. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan C-2 has a base current market value of $195.00 per square foot. This calculates as follows:

2,343 sf x $195.00 = $456,885

The most appropriate new home comparable data for Copper Heights Plan 3 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	C-3	4 / 3	2 /2	2,523	--
1	2	5 / 3	2 / 2	2,343	$202.30
1	4	5 / 3	2 / 2	2,716	$183.35
2	S-1	4 / 3	2 / 2	2,538	$189.58
3	3	5 / 2.5	2 / 2	2,638	$179.84
4	3	4 / 2.5	2 / 2	2,570	$190.61

All new home comparables are located within Eastvale. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $179.84 to $202.30 per square foot. The subject plan has a current asking price less concessions of $193.02. Actual sales prices of this plan ranged from $194.21 to $197.46 per square foot between April 2016 and November 2016. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan C-3 has a base current market value of $188.00 per square foot. This calculates as follows:

2,523 sf x $188.00 = $474,324

The most appropriate new home comparable data for Copper Heights Plan 4 are:

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	C-4	5 / 3	2 /2	2,716	--
1	3	4 / 3	2 / 2	2,523	$193.02
2	S-2	3 / 2.5	2 / 2	2,690	$178.05
2	S-4	4 / 3.5	2 / 2	2,931	$166.73
3	4	5 / 2.5	2 / 2	2,664	$181.26
4	3	4 / 2.5	2 / 2	2,570	$190.61

All new home comparables are located within Eastvale. All are of similar quality, design and appeal. Adjustments were considered (when applicable) for location, lot size, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from $166.73 to $293.03 per square foot. It should be noted that the lowest price per square foot refers to the largest square footage which is typical due to economy of scale. The subject plan has a current asking price less concessions of $183.35. Actual sales prices of this plan ranged from $184.52 to $197.57 per square foot between May 2016 and November 2016. The reported sales prices include premiums and options purchased by the buyer as well as any concessions given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan C-4 has a base current market value of $180.00 per square foot. This calculates as follows:

2,716 sf x $180.00 = $488,880

Builder Owned Retail Value

Within the subject property there are 13 builder-owned homes over 95 percent complete, including two model homes. Per interviews with builders, upgrades and landscape/hardscape of up to $100,000 are installed in the model homes, however, the builders generally consider this a marketing cost and do not anticipate recovering this investment on a dollar for dollar basis. Based on historical information, home sizes and fixtures, actual model home sales within the subject area and the current real estate market, a consideration of a $35,000 premium has been included with each of the model

homes. The retail base value conclusions for the builder-owned homes are calculated as follows:

Copper Heights

Plan C-1 (1 x $448,800)	$ 448,800
Plan C-2 (1 x $456,885)	456,885
Plan C-3 (4 x $474,324)	1,897,296
Plan C-4 (7 x $488,880)	3,422,160
Model Upgrades (2 x $35,000)	70,000
Total Copper Heights Retail Value	**$ 6,295,141**

Absorption Period

In order to arrive at an absorption period for Copper Heights, the absorption rates for the subject and surrounding developments have been reviewed. As discussed under the Highest and Best Use section earlier within this report, there is an overall average closing rate for the entire Copper Sky of over 6 homes per month which is considered to be a good sales rate. Within Copper Heights by itself the sales rate has been over 4 homes per month which is considered to be very good for a single project. We have concluded that the subject 13 builder-owned homes (9 which are in escrow) will be absorbed over a four month period.

Remaining Costs

As discussed under the remaining costs section earlier within this report there are $27,391.30 remaining hard costs per unit associated with the land development which is spread between all developer-owned properties. This calculates to a total $356,087 remaining development costs. It is assumed that these costs will be spread evenly over the four month absorption period.

Expenses

In determining an expense rate, several builders in the subject area have been interviewed as to their expenses on selling existing inventory. Expenses include marketing and general administrative costs. These costs typically range from six to ten percent depending on varying factors such as absorption period, intensity of marketing, etc. Six percent has been estimated for marketing expenses and two percent for general and administrative costs for a total of eight percent in expenses for this analysis.

Profit

Several interviews with merchant builders in the area were conducted in order to determine an appropriate profit percentage for the subject properties. In the early 2000s, developers typically attempted to achieve a 10 to 12 percent profit based on gross sales proceeds. During the early 1990s recession this range was lowered considerably to six to 10 percent with some builders drastically lowering their profit potential in order to maintain their work force. As the market improved, so did the profits. This appears to be occurring once again as prices have increased in the past year. A ten percent profit is considered appropriate in the analysis for this project.

Discount Rate

In selecting a discount rate, the following was completed:

1. Interviews with merchant builders in the Eastvale/Jurupa Valley area
2. Review of current market conditions including current market rates as well as yields reflected in other markets (i.e., municipal bonds, corporate bonds, etc.)
3. The quality, construction, historical sales and product on the subject properties

The homes within the subject property have been well received in the marketplace with a good to very good absorption rate. Due to the good sales rates within Copper Sky, coupled with the amount of product remaining, an eight percent discount rate is considered appropriate for this analysis.

Discounted Cash Flow Summary

The discounted revenue for each Improvement Area (see DCF Analysis in Addenda) for the builder owned homes is **$4,726,886.**

DR Horton Ownership

DR Horton owns 13 homes (production and models), 18 homes under construction (under 95 percent complete) and 15 finished lots within Canyon Heights. The homes under construction (under 95 percent complete) have been valued on the basis of a finished lot rather than attribute value to a partially complete improvement. The final value conclusion for the builder owned property is shown on the following page.

33 Lots in "As Is" Condition	$ 6,356,087
13 Houses	4,726,886
Total DR Horton Property	**$ 11,082,973**

Individual Owners Value Conclusion

In determining the value for the individually owned homes, we have considered the concluded base price value for the homes which is considered a minimum market value. This is due to homebuyers typically purchasing some addition upgrades, options or pay some premiums for the lot. The concluded values are shown below:

Zone A

Estrella:

Plan E-1 (21 x $371,305)	$ 7,797,405
Plan E-2 (24 x $422,710)	10,145,040
Plan E-3 (27 x $432,200)	11,669,400
Total Zone A – Estrella	**$29,611,845**

Zone B

Luna/Luna Pointe:

Plan L-1 (10 x $423,000)	$ 4,230,000
Plan L-2 (22 x $437,580)	9,626,760
Plan L-3 (14 x $445,170)	6,232,380
Plan L-4 (23 x $462,462)	10,636,626
Plan L-5 (23 x $473,400)	10,888,200
Subtotal – Luna/Luna Pointe	$41,613,966

Copper Heights:

Plan C-1 (5 x $448,800)	$ 2,244,000
Plan C-2 (1 x $456,885)	456,885
Plan C-3 (4 x $474,324)	1,897,296
Plan C-4 (4 x $488,880)	1,955,520
Subtotal - Copper Heights	$ 6,553,701
Total Zone B Individually Owned	**$48,167,667**

Total Individual Owned	**$77,779,512**

In an additional review, we have reviewed the original builder sales prices for the homes within each Zone. Closings occurred within Zone A (Estrella) between September 2014 and May, 2016. The builder's reported closing prices for the individually owned homes total $29,553,233. The concluded current minimum market value of $29,611,845 equates to within 0.2 percent of the actual prices. The actual closing prices included options, premiums, upgrades and concessions given by the builder. The sales prices began at

the high end of the range in May 2014, dropped between five and ten percent by the beginning of 2015 then increased steadily approximately five percent until the project sold out. Closings occurred within Zone B (Luna/Luna Pointe and Copper Heights) from October 2014 thru November 2016. Copper Heights prices on the two similar plans to Luna have increased back up to near the original sales prices. The builder's reported closing prices for the individually owned homes within Zone B total $48,832,147 as compared to the concluded value of $48,167,667. In a more detailed look, the Luna/Luna Pointe builder's pricing totaled $41,924,692 with the majority of the closings prior to the past six months. The concluded value for these homes is $41,613,966 which is within 0.7 percent of the actual sales prices. Again some of the highest prices were sales that occurred in the mid-2014 time period, prices dropped in the beginning of 2015 and have risen since that time. Copper Heights has builders reported closing prices for the individually owned homes that total $6,907,455. This compares to our concluded value of $6,553,701 which is within 5.1 percent. These homes have sold between May 2016 and August 2016 with some slight increases but no decreases during this time. Again, the actual sales prices include upgrades, options and premiums purchased by the homeowner along with the concessions given by the builder. Our concluded values does not include the upgrades, options and premiums in the minimum market valuation however concessions are considered which would suggest that the actual sales prices would be higher than the concluded values. It is our conclusion that the original builder sales prices within both Zone A and Zone B further substantiate the concluded minimum market value for the individually owned homes within each Zone.

APPRAISAL REPORT SUMMARY

The appraisal assignment was to value the subject property within JCSD CFD No. 47 which includes 224 single-family homes being developed into three projects by DR Horton within the community known as Copper Sky. The CFD is divided into two Zones for taxation purposes and is located in Eastvale, California. As of November 15, 2016 individuals have purchased and closed on all of the homes within Zone A and 106 homes within Zone B. Closings began in both Zones in September 2014. Estrella (Zone A) and Luna/Luna Pointe (within Zone B) are sold and closed out with Copper Heights (within Zone B) the only remaining product still selling. Copper Heights has two model homes, eleven production homes over 95 percent complete, 18 homes under construction and 15 finished lots. The project is enjoying good to very good sales rates and has increased prices since opening. All structures appear to be in excellent condition with no visible depreciation. We have reviewed builder sales and reviewed the local MLS for re-sales (none were found).

The subject property was valued utilizing the Sales Comparison Approach to value and utilized a mass appraisal technique for the individually owned homes. A minimum value was determined by concluding at a base value for the homes. The valuation took into account the improvements/benefits to be funded by Special Tax JCSD CFD No. 47 Bond Proceeds along with the JCSD CFD No. 47 special tax lien. The concluded aggregate value for the subject properties, subject to their respective special tax lien, is:

Zone A / Estrella at Copper Sky*:*

Individually Owned Homes Minimum Market Value	$ 29,611,845
Total Zone A	**$ 29,611,845**

Zone B / Luna/Luna Pointe and Copper Heights at Copper Sky:

DR Horton Homes Ownership	$ 11,082,973
Individually Owned Homes Minimum Market Value	$ 48,167,667
Total Zone B	**$ 59,250,640**
Aggregate Value for JCSD CFD No. 47	**$ 88,862,485**

The above values are stated as of said date of value and subject to the attached Assumptions and Limiting Conditions and Appraiser's Certification.

APPRAISER'S CERTIFICATION

The appraiser certifies that to the best of his knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased, professional analyses, opinions and conclusions.

3. The appraiser has no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.

4. The appraiser's 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.

5. This appraisal was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

6. The analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

7. Kitty Siino has made a personal inspection of the property that is the subject of this report.

8. Kitty Siino has not performed any appraisal services on the subject property in the past three years.

9. No other appraisers have provided significant professional assistance to the persons signing this report.

10. The reported analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.

11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

12. As of the date of this report, Kitty Siino has completed the requirements of the continuing education program of the Appraisal Institute.

K. Siino

Kitty S. Siino, MAI
State Certified General
Real Estate Appraiser (AG004793)

ADDENDA

JCSD CFD NO. 47 BOUNDARY MAP

BOUNDARIES OF

COMMUNITY FACILITIES DISTRICT NO. 47 (EASTVALE AREA)

OF JURUPA COMMUNITY SERVICES DISTRICT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE SECRETARY OF THE BOARD OF DIRECTORS OF JURUPA COMMUNITY SERVICES DISTRICT THIS _____ DAY OF _____, 2014.

_____
SECRETARY OF THE BOARD OF DIRECTORS,
JURUPA COMMUNITY SERVICES DISTRICT

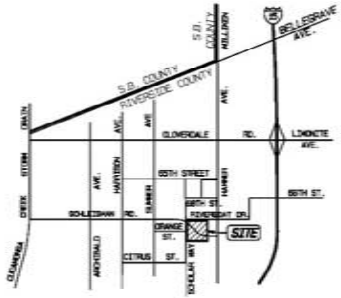
FILED THIS _____ DAY OF _____, 2014 AT THE HOUR OF __O'CLOCK ___ M. IN BOOK _____OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AND AS INSTRUMENT NO. _____. FEE _____.

LARRY W. WARD, RIVERSIDE COUNTY ASSESSOR - CLERK - RECORDER

BY: _____
DEPUTY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 47 (EASTVALE AREA) OF JURUPA COMMUNITY SERVICES DISTRICT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA WAS APPROVED BY THE BOARD OF DIRECTORS OF JURUPA COMMUNITY SERVICES DISTRICT AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____ 2014, BY IT'S RESOLUTION NO. _____.

_____
SECRETARY OF THE BOARD OF DIRECTORS,
JURUPA COMMUNITY SERVICES DISTRICT

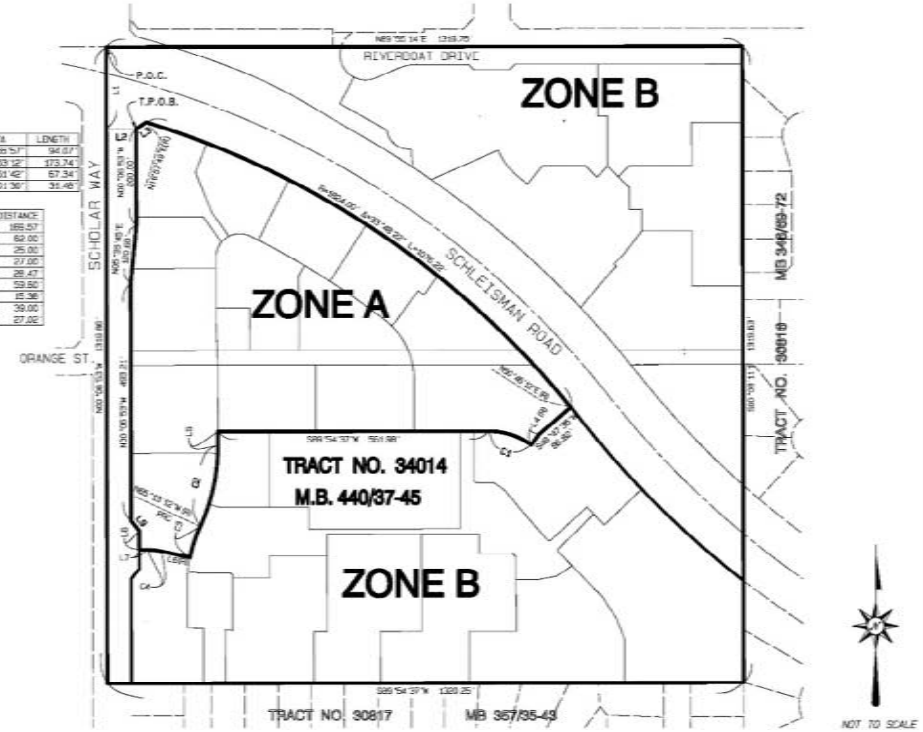


VICINITY MAP
NOT TO SCALE

SEC. 36, T.2S., R.7W.

CURVE	RADIUS	DELTA	LENGTH
C1	150.00'	35°55'57"	94.07'
C2	400.00'	24°53'12"	173.74'
C3	300.00'	12°51'42"	67.34'
C4	150.00'	12°01'30"	31.48'

LINE	BEARING	DISTANCE
L1	S00°06'53"E	169.57
L2	N89°53'07"E	62.00
L3	N57°30'52"E	25.00
L4	S35°50'34"W	27.00
L5	S00°06'24"E	28.47
L6	N78°04'54"W	59.50
L7	S89°53'36"W	15.36
L8	N00°06'53"W	39.00
L9	N39°06'21"W	27.02



ALBERT A. WEBB ASSOCIATES
ENGINEERING CONSULTANTS

W.O. 13-0216

TRACT MAP 34014
& MASTER HOME PLAN

IN THE CITY OF EASTVALE, COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA

TRACT NO. 34014

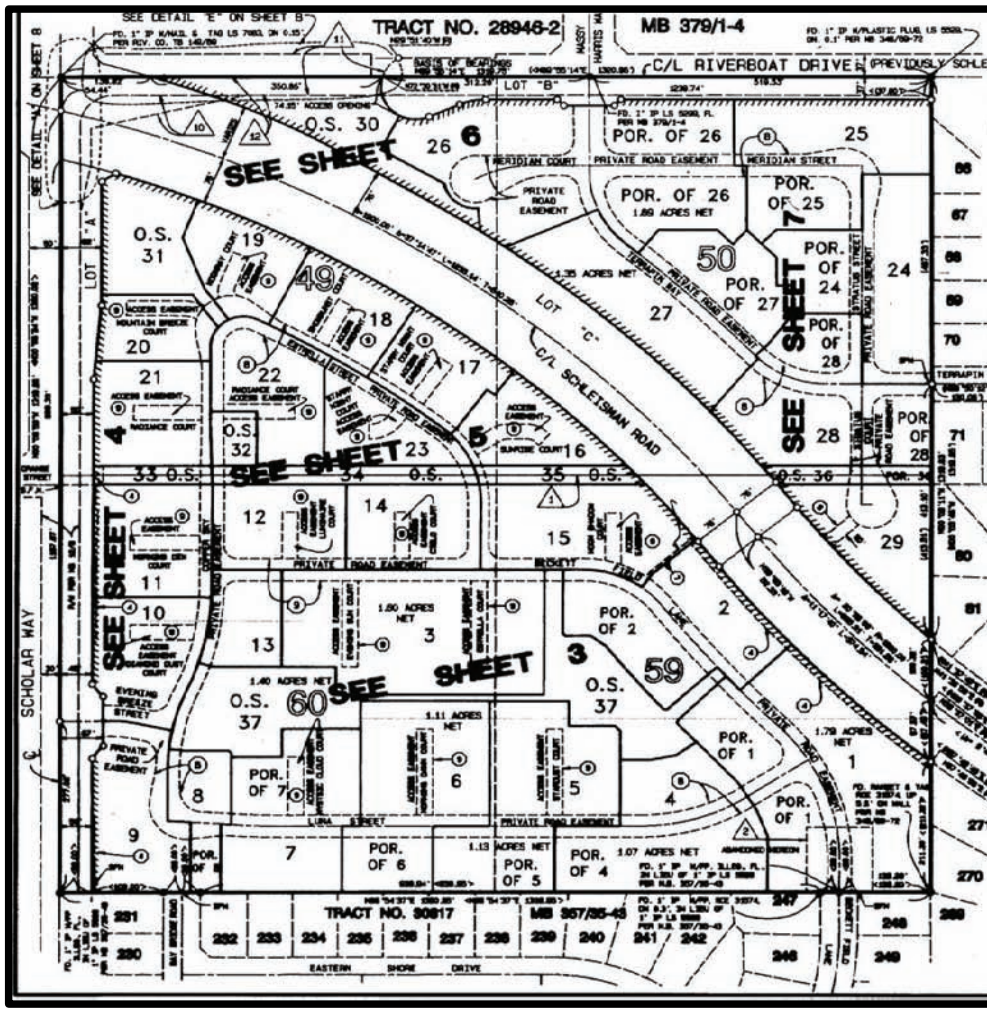
BEING A SUBDIVISION OF LOTS 49, 50, 59 AND 60 OF THE MAP OF THE KINGSTON TRACT, AS SHOWN BY MAP ON FILE IN BOOK 12 PAGE 6 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, TOGETHER WITH THE VACATED PORTION OF ORANGE AVENUE OF SAID MAP AND ADJACENT TO SAID LOTS, LYING IN SECTION 36, TOWNSHIP 2 SOUTH, RANGE 7 WEST, AS SHOWN BY SECTIONALIZED SURVEY OF JURUPA RANCHO, RECORDED IN BOOK 9, PAGE 33 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

ALBERT A. WEBB ASSOCIATES - CIVIL ENGINEERS FEBRUARY, 2013

FOR CONDOMINIUM PURPOSES

GRAPHIC SCALE 1"=100'

0 100 200 300 400



INDEX SHEET

SURVEYOR'S NOTES

1. BASIS OF BEARINGS IS THE CENTERLINE OF SCHLEISMAN ROAD TAKEN AS NORTH 88°56'14" EAST, AS SHOWN BY TRACT NO. 30316 PER M.B. 348/69-72 INCLUSIVE, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.
2. —⊕— INDICATES FOUND 1" I.P. TAGGED LS 5629, FLUSH PER M.B. 348/69-72, UNLESS OTHERWISE NOTED.
3. —⊕— INDICATES FOUND 1" I.P. TAGGED L.S. 5629, FLUSH PER M.B. 367/35-43, UNLESS OTHERWISE NOTED.
4. —○— INDICATES SET 1" I.P. TAGGED "LS 5629", FLUSH.
5. SET 1" I.P. TAGGED "LS 5629", FLUSH, AT ALL REAR LOT CORNERS, CORNER OUTBLOCKS, AND ANGLE POINTS.
6. SET SPIKE, PIN AND TAG LS 5629 IN TOP OF CURB AT ALL SIDE LOT LINES PROJECTED PER STD. "L"
7. ///// INDICATES RESTRICTED ACCESS.
8. TRACT CONTAINS 24.69 ACRES GROSS.
9. ALL SET MONUMENTS SHALL BE PER RIVERSIDE COUNTY STD. ORDINANCE 461.10 AND THE MONUMENT AGREEMENT FOR THIS MAP.
10. DRAINAGE EASEMENTS SHALL BE KEPT FREE OF BUILDINGS AND OBSTRUCTIONS.
11. O.S. INDICATES OPEN SPACE.
12. ( ) DENOTES RECORD AND MEASURED DATA PER TRACT NO. 30316, M.B. 348/69-72, UNLESS OTHERWISE NOTED.
13. < > DENOTES RECORD AND MEASURED DATA PER TRACT NO. 30817, M.B. 367/35-43, UNLESS OTHERWISE NOTED.
14. S.F.N. INDICATES SEARCHED FOUND NOTHING.

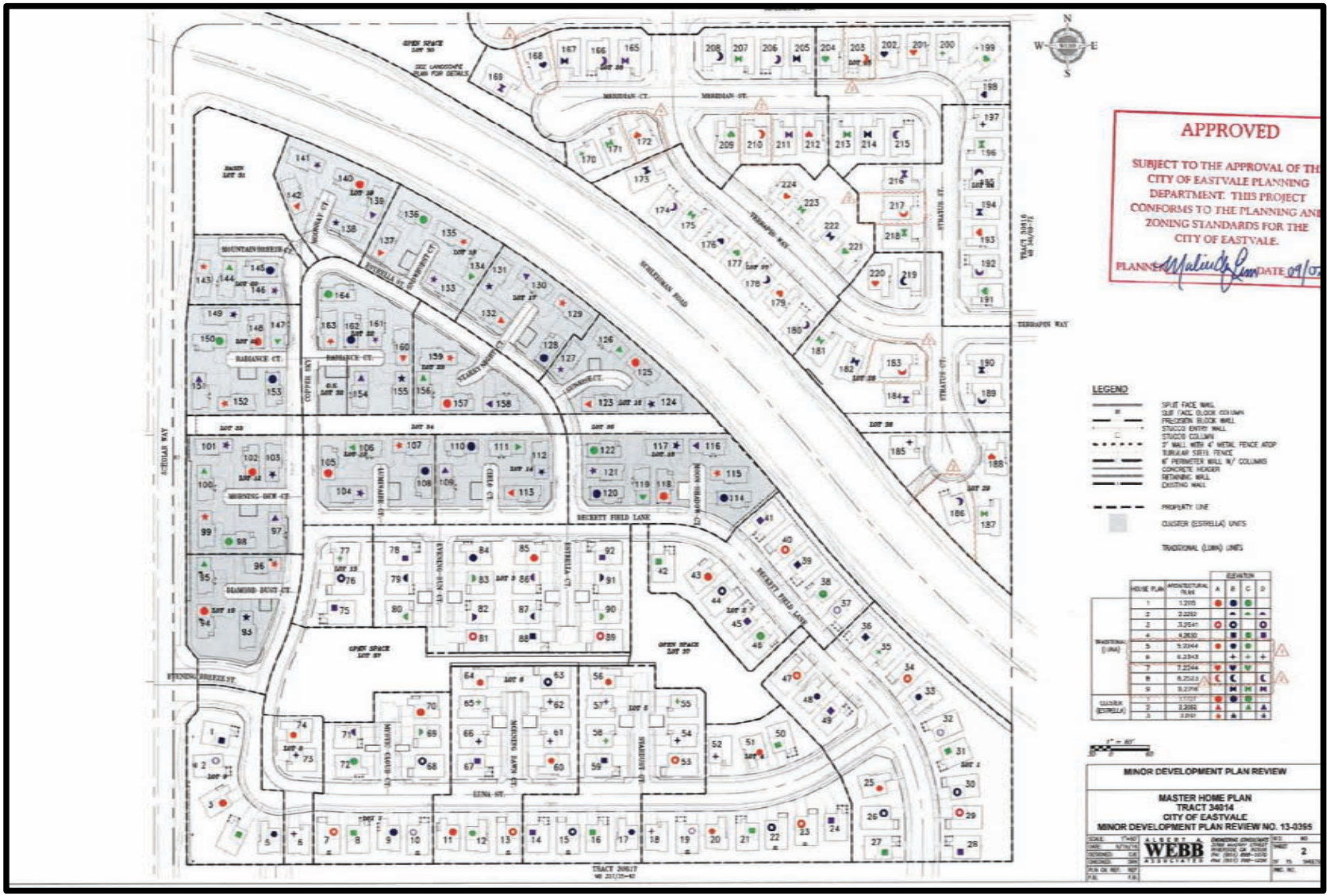
ENVIRONMENTAL CONSTRAINT NOTE:

ENVIRONMENTAL CONSTRAINT SHEET AFFECTING THIS MAP IS ON FILE IN THE OFFICE OF THE [illegible] ENGINEER. THIS AFFECTS ALL LOTS.

VICINITY MAP
NTS
SECTION 36, T.2S., R.7W

EASEMENT NOTES:

1. CENTERLINE OF A 4" WIDE EASEMENT FOR PIPELINES AND INCIDENTAL PURPOSES TO SOUTHERN CALIFORNIA GAS COMPANY PER BOOK 751, PAGE 289 OF DEEDS RECORDED DECEMBER 6, 1948.
2. TEMPORARY FIRE TURNAROUND PER DOCUMENT RECORDED SEPT. 20, 2006 AS DOC. # 2006-0710000, O.R. ABANDONED HEREIN.
3. RIGHT OF WAY GRANTED TO WILLIAM WALKER, HIS HEIRS AND ASSIGNS FOR PIPELINE PURPOSES PER DEED RECORDED OCTOBER 18, 1913, IN BOOK 300, PAGE 373, OF DEEDS, RIV. CO. RECORDS. CANNOT BE LOCATED FROM THE RECORD.
4. LANDSCAPE EASEMENT IN FAVOR OF THE PUBLIC FOR LANDSCAPE CONSTRUCTION AND MAINTENANCE PURPOSES DEDICATED HEREON.
5. SEWER AND WATER EASEMENT TO JURUPA COMMUNITY SERVICES DISTRICT RECORDED DECEMBER 31, 2013 AS DOC. NO. 2013-0501383, O.R. RIV CO. SEE SHEET 8.
6. 20' PRIVATE STORM DRAIN EASEMENT RETAINED FOR PRIVATE USE FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, AND LOT OWNERS WITHIN THIS TRACT MAP.
7. 5' PRIVATE IRRIGATION EASEMENT RETAINED FOR PRIVATE USE FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, AND LOT OWNERS WITHIN THIS TRACT MAP.
8. PRIVATE ROAD EASEMENT RETAINED FOR INGRESS AND EGRESS PURPOSES FOR PRIVATE USE, FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES AND LOT OWNERS WITHIN THIS TRACT MAP.
9. ACCESS EASEMENT RETAINED FOR THE PURPOSE OF INGRESS/EGRESS AND UTILITIES FOR PRIVATE USE FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, AND LOT OWNERS WITHIN THIS TRACT MAP.
10. PUBLIC ROAD AND UTILITY EASEMENT TO THE CITY OF EASTVALE RECORDED OCTOBER 4, 2013 AS DOC. NO. 2013-0507884, O.R. RIV. CO.
11. RESOLUTION NO. 15-58 VACATING PORTION SCHLEISMAN ROAD RECORDED Feb. 24, 2014 AS DOC. NO. 2014-0070111, O.R. RIV. CO.
12. ROAD EASEMENT TO CITY OF EASTVALE RECORDED Feb. 24, 2014 AS DOC. NO. 2014-0070112, O.R. RIV. CO.

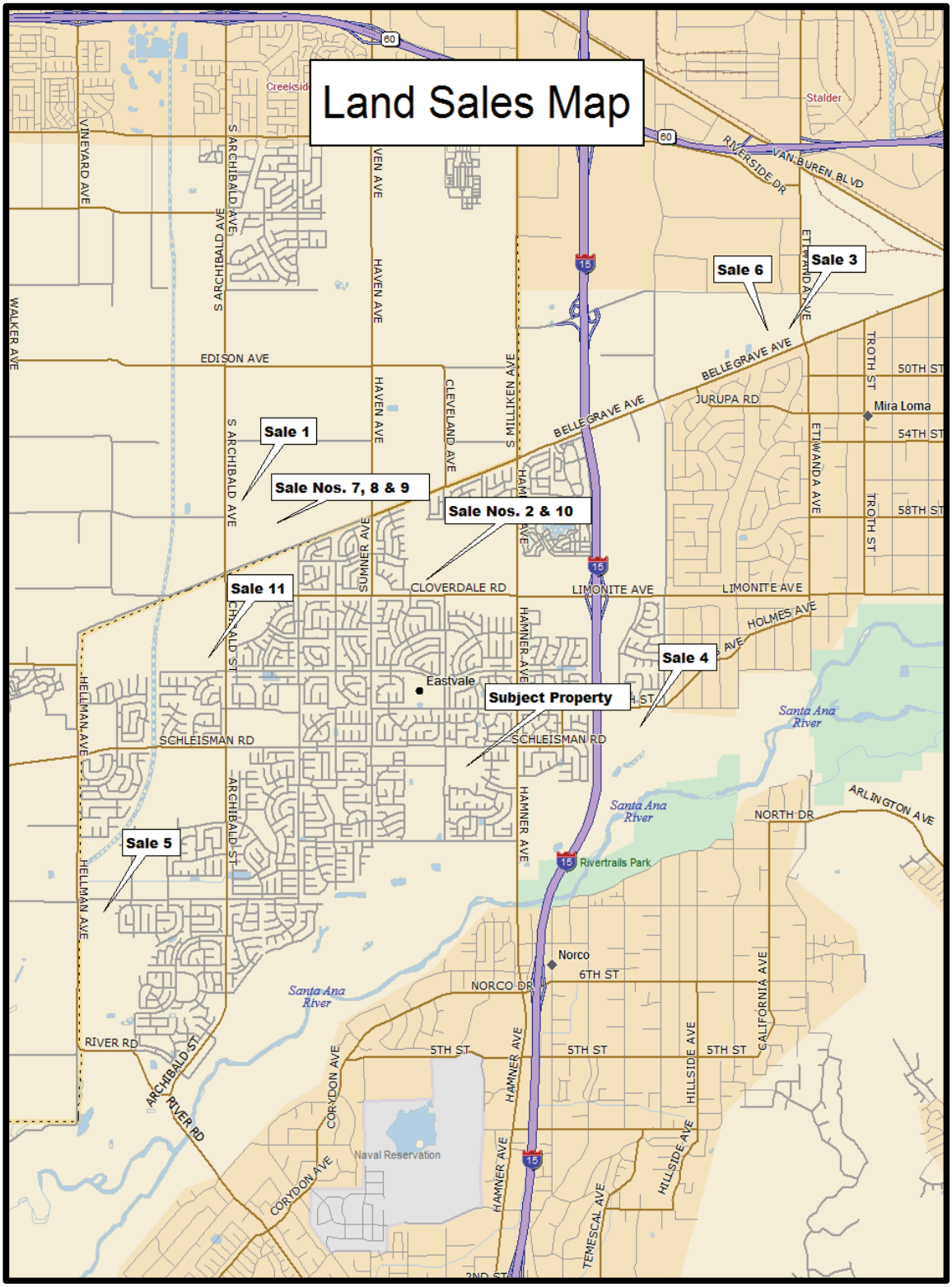

APPROVED
SUBJECT TO THE APPROVAL OF THE CITY OF EASTVALE PLANNING DEPARTMENT. THIS PROJECT CONFORMS TO THE PLANNING AND ZONING STANDARDS FOR THE CITY OF EASTVALE.
PLANNER
DATE 09/07
LEGEND
SPLIT FACE WALL
SLIT FACE BLOCK COLUMN
PRECISION BLOCK WALL
STUCCO ENTRY WALL
STUCCO COLUMN
2' WALL WITH 4' METAL FENCE ATOP
TUBULAR STEEL FENCE
6' PERIMETER WALL W/ COLUMNS
CONCRETE HEADER
RETAINING WALL
EXISTING WALL
PROPERTY LINE
CLUSTER (ESTRELLA) UNITS
TRADITIONAL (LUNA) UNITS
HOUSE PLAN
ARCHITECTURAL PLAN
ELEVATION
A
B
C
D
TRADITIONAL (LUNA)
CLUSTER (ESTRELLA)
MINOR DEVELOPMENT PLAN REVIEW
MASTER HOME PLAN
TRACT 34014
CITY OF EASTVALE
MINOR DEVELOPMENT PLAN REVIEW NO. 13-0395
WEBB
ASSOCIATES
SCHULDHAM ROAD
TERRAPIN WAY
STRATUS ST.
MERIDIAN CT.
MERIDIAN ST.
RADIANCE CT.
COPPER SKY
MOUNTAIN BREEZE CT.
MORNING DEW CT.
DIAMOND DUST CT.
EVENING BREEZE ST.
DECKETT FIELD LANE
LUNA ST.
MORNING DAWN CT.
STARDUST CT.
MYRTO CLOUD CT.
EVENING SKY CT.
ESTRELLA CT.
CIELO CT.
LUMINARIE CT.
MOON SHADOW CT.
TRACT 30810
TRACT 30817
N
S
E
W

DISCOUNTED CASH FLOW ANALYSIS

JCSD CFD No. 47 (Copper Heights by DR Horton) - Discounted Cash Flow Analysis

MONTH	MONTH 1	MONTH 2	MONTH 3	MONTH 4	**TOTAL**
INCOME:					
Retail Sales	$1,573,785	$1,573,785	$1,573,785	$1,573,785	$6,295,141
TOTAL INCOME	$1,573,785	$1,573,785	$1,573,785	$1,573,785	$6,295,141
EXPENSES:					
Remaining Costs	($89,022)	($89,022)	($89,022)	($89,022)	($356,087)
Marketing & Carrying Expenses	($125,903)	($125,903)	($125,903)	($125,903)	($503,611)
Profit	($157,379)	($157,379)	($157,379)	($157,379)	($629,514)
TOTAL EXPENSES	($372,303)	($372,303)	($372,303)	($372,303)	($1,489,212)
NET CASH FLOW	$1,201,482	$1,201,482	$1,201,482	$1,201,482	$4,805,929
Discount Factor	0.9934	0.9868	0.9803	0.9738	
DISCOUNTED CASH FLOW	$1,193,525	$1,185,621	$1,177,769	$1,169,970	$4,726,886
CUMULATIVE DISCOUNTED CASH FLOW	**$1,193,525**	**$2,379,147**	**$3,556,916**	**$4,726,886**	**$4,726,886**

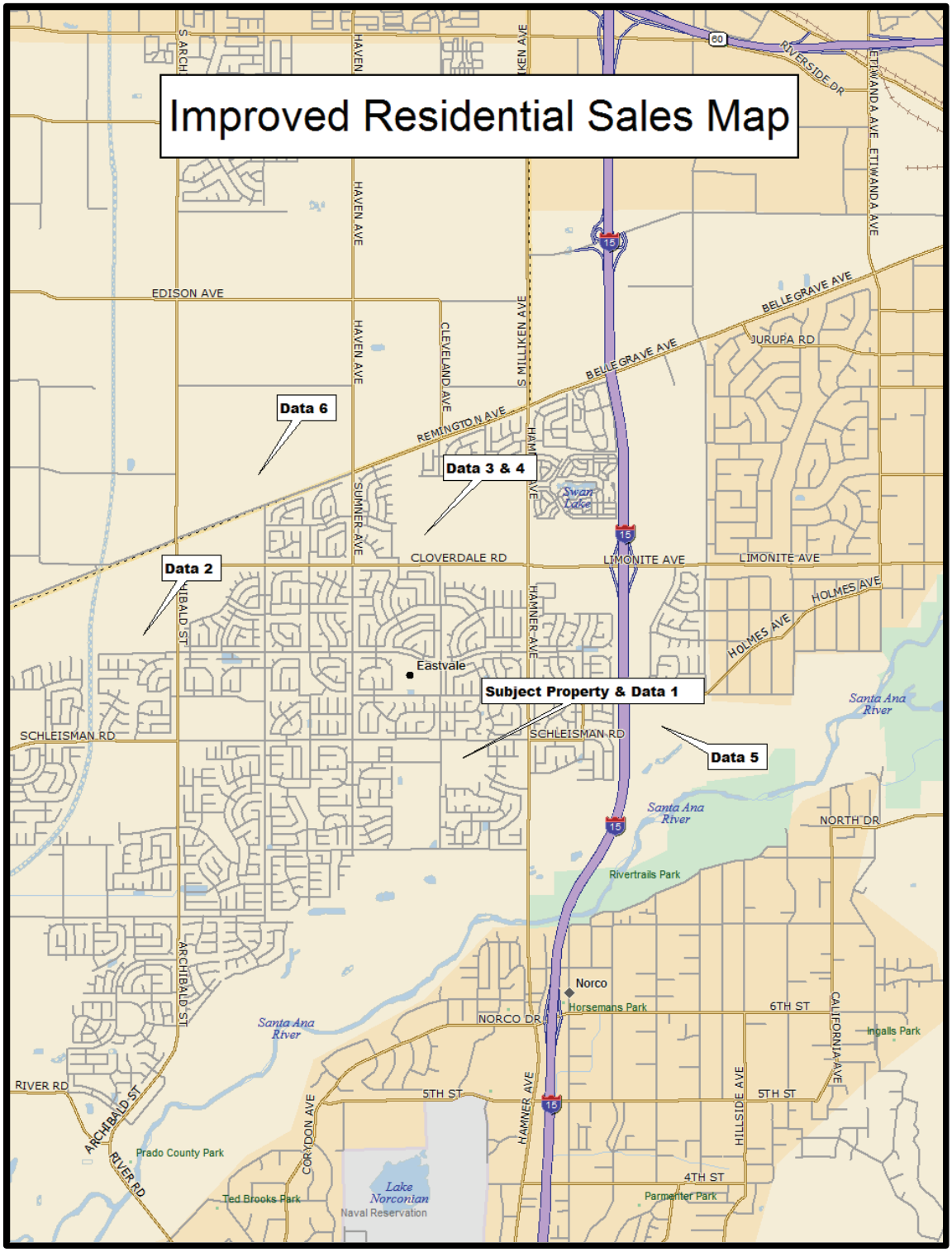
FINISHED LOT LAND SALES MAP
& SUMMARY CHART


Land Sales Map
Sale 1
Sale Nos. 7, 8 & 9
Sale Nos. 2 & 10
Sale 11
Sale 6
Sale 3
Sale 4
Sale 5
Subject Property
Eastvale
Mira Loma
Norco
Rivertrails Park
Naval Reservation
Santa Ana River
EDISON AVE
BELLEGRAVE AVE
JURUPA RD
CLOVERDALE RD
LIMONITE AVE
HOLMES AVE
SCHLEISMAN RD
NORTH DR
ARLINGTON AVE
NORCO DR
6TH ST
5TH ST
RIVER RD
VAN BUREN BLVD
RIVERSIDE DR
50TH ST
54TH ST
58TH ST
VINEYARD AVE
WALKER AVE
S ARCHIBALD AVE
HAVEN AVE
CLEVELAND AVE
S MILLIKEN AVE
HAMNER AVE
SUMNER AVE
HELLMAN AVE
ARCHIBALD ST
CORYDON AVE
HILLSIDE AVE
CALIFORNIA AVE
TEMESCAL AVE
ETIWANDA AVE
TROTH ST
2ND ST

FINISHED LOT LAND SALES SUMMARY CHART

Data No.	Location/APN / Buyer / Seller	Sales Date	# Lots	Lot Size	Sales Price / Price per Lot	Est. Finished Lot Price	Comments
1	PA 2A in Phase II of Park Place, NWC Archibald & Merrill, Ontario Ranch / 0218-022-004 / Tripointe / SL Ontario Dev	11/16	68	3,825	$4,315,000 $63,456	$180,000	Purchased with agreement for seller to partially finish lots. Proposed for continuation of St. James product.
2	N/S Limonite Avenue at Scholar Way, Eastvale / 164-720-001 / KB Home / Silveira Dairy et al	1/16	143	3,000	$20,239,362 / $141,534	$219,949	Second take-down of property optioned in 2013 (See Data No. 10). Now selling as The Lodge.
3	NWC Bellegrave & Etiwanda Avenues, Jurupa Valley / 160-060-065 /Pulte / WS-JSE Inv.	12/15	206	7,200	N/A	$205,000 - $210,000	Favorable agreement between buyer and seller to begin grading prior to closing. Grand opening 2/27/16.
4	SWQ Interstate 15 & 68th Street, Jurupa Valley / 152-020-003 thru 008; 152-060-001 & 008; 153-020-003; 157-1990-006 thru 009; 157-210-001 & 014 / Lennar / CV Com	1/15	466	4,000 – 7,200	472,845,120 / $156,320 (avg)	$250,000 – $280,000	Currently marketing by Lennar as Riverbend. Lots range in size from 4,000 to 7,200 sf lots. F/L price range is from smallest to largest lots.
5	Wraps Around SEC Hellman & Chandler, Eastvale / 130-77 & 78 (various) / Lennar / McCune et al	10/14	122	7,200	$16,983,500 / $139,209	$250,000	Lennar graded and is now selling their Mill Creek Crossing project with homes generally from $500,000 to $650,000
6	N/A Bellegrave, W/O Etiwanda Avenue, Jurupa Valley / 160-060-064 / DR Horton / WS-JSE Investments	4/25/14	217	7,200	$30,500,000 / $140,553	$210,000	Unimproved with improvement plans complete at closing. Sage Point and Vintage are the two products with both nearing build-out
7	SEC Park Place & Merrill Avenues, Park Place, Ontario Ranch, Ontario / 0218-042-04 /KB Home Coastal / SL Ontario Dev.	12/12/13	69	2,800	$10,244,420 / $148,180	$197,627	PA 9 of Park Place community. Sold in a beyond a finished lot condition. Now selling as Hadleigh by KB Home
8	S/S Celebration Avenue S/O MerrillAvenue, Park Place, Ontario Ranch, Ontario / 0218-052-02 / KB Home Coastal / SL Ontario Dev	12/12/13	53	3,825	$9,164,018 / $172,906	$224,297	PA 6 of Park Place community which includes upscale amenities. Sold in a beyond a finished lot condition. Now selling as Kensington at Park Place.
9	N/S Park Place Avenue, S/O Merrill Avenue, Park Place, Ontario Ranch, Ontario / 0218-042-05 / Tripointe Homes / SL Ontario Dev.	12/11/13	57	3,600	$10,497,975 / $184,175	$230,580	PA 10 of Park Place community. Sold in a beyond finished lot condition. Now welling as St James by TriPointe
10	N/S Limonite, west of Hamner Avenue, Eastvale / 164-030-027 / KB Home / Stratham	7/17/13	207	3,000	$26,961,000 / $130,246	$208,661	Unimproved with TTM approved on the site. Small lot subdivision. Option for additional 143 lots.
11	NWC 65th St & Archibald, Eastvale / 144-010=034 & 035 DR Horton / American Superior Land Co.	6/25/13	224	3,750	$32,575,000 / $145,424	$222,996	Unimproved site with TTM approved. Small lot subdivision. *Buyer increased CFD after purchase.

IMPROVED RESIDENTIAL SALES MAP & SUMMARY CHART


Improved Residential Sales Map
Data 6
Data 3 & 4
Data 2
Subject Property & Data 1
Data 5
EDISON AVE
BELLEGRAVE AVE
JURUPA RD
REMINGTON AVE
CLOVERDALE RD
LIMONITE AVE
HOLMES AVE
SCHLEISMAN RD
NORTH DR
NORCO DR
6TH ST
5TH ST
4TH ST
RIVER RD
Eastvale
Norco
Horsemans Park
Rivertrails Park
Santa Ana River
Ingalls Park
Prado County Park
Ted Brooks Park
Lake Norconian
Naval Reservation
Parmenter Park
Swan Lake
HAVEN AVE
CLEVELAND AVE
S MILLIKEN AVE
SUMNER AVE
HAMNER AVE
ARCHIBALD ST
CORYDON AVE
HILLSIDE AVE
CALIFORNIA AVE
ETIWANDA AVE
RIVERSIDE DR
15
60

IMPROVED RESIDENTIAL SALES SUMMARY CHART

Data No.	Project Name Location/Developer	Plan	Room Count	Size (SF)	Floors/ Parking	Lot Size/	Base Sales Price	Incentives / Concessions	Price less Incentives	Price/SF After Incentives
1	Copper Heights, Schleisman & Scholar Way, Eastvale DR Horton	1 2 3 4	5 / 3 5 / 3 4 / 3 5 / 3	2,244 2,343 2,523 2,716	2 / 2 2 / 2 2 / 2 2 / 2	Cluster/ 3,000	$467,990 $478,990 $491,990 $502,990	$5,000 towards closing with preferred lender	$462,990 $473,990 $486,990 $497,990	$206.32 $202.30 $193.02 $183.35
2	The Trails, NWC 65th and Archibald, Eastvale DR Horton	B-1 B-4 S-1 S-2 S-4	4 / 2.5 4 / 3 4 / 3 3 / 2.5 4 / 3.5	2,049 2,646 2,538 2,690 2,931	2 / 2 2 / 2 2 / 2 2 / 2 2 / 2	3,825	$435,900 $469,900 $486,148 $478,946 $493,676	$5,000 towards closing costs with preferred lender	$430,900 $464,900 $481,148 $473,946 $488,676	$210.30 $175.70 $189.58 $178.05 $166.73
3	Elation at The Lodge, N/S Limonite at Scholar Way, Eastvale KB Home	1 2 3 4	3 / 2.5 4 / 2 5 / 2.5 5 / 2.5	1,993 2,194 2,638 2,664	2 / 2 2 / 2 2 / 2 2 / 2	Cluster/ 3,000	$437,880 $442,880 $473,880 $482,880	None	$437,880 $442,880 $473,880 $482,880	$219.71 $201,86 $179.64 $181.26
4	Symmetry at The Lodge, N/S Limonite at Scholarly Way, Eastvale KB Home	1 2 3	3 / 2.5 4 / 2.5 4 / 2.5	2,325 2,477 2,570	2 / 2 2 / 2 2 / 2	Cluster/ 3,000	$461,880 $494,880 $489,880	None	$461,880 $494,880 $489,880	$198.66 $199.79 $190.61
5	Harmony at Riverbend, S/S 68th Street at Pat's Ranch Road, Jurupa Valley / Lennar	1 2 3 4	3 / 2.5 4 / 2.5 4 / 3 4 / 3	1,827 2,017 2,277 2,409	2 / 2 2 / 2 2 / 2 2 / 2	4,000	$438,341 $455,879 $491,390 $484,438	$8,000 towards closing costs with preferred lender	$430,341 $447,879 $483,390 $476,438	$235.55 $222.05 $212.29 $197.77
6	Hadleigh at Park Place, Ontario Ranch, Ontario KB Home	1 2 3	3 / 2.5 4 / 2.5 4 / 2.5	2,121 2,331 2,467	2 / 2 2 / 2 2 / 2	2,800	$434,880 $444,880 $448,880	1% of sales price towards closing costs with preferred lender	$430,531 $440,431 $444,391	$202.98 $188.95 $181.95

APPRAISER'S QUALIFICATIONS

QUALIFICATIONS OF KITTY S. SIINO, MAI

Education

Bachelor of Arts in Business Administration, Financial Investments, California State University, Long Beach, California (1980)

Post-Graduate Study, Real Estate Development, University of California, Irvine, California

Appraisal Institute Classes: Uniform Standards of Professional Appraisal Practice, A & B; Appraisal Principles; Appraisal Procedures; Basic Income Capitalization; Advanced Income Capitalization; Narrative Report Writing; Advanced Applications, Case Studies. Successfully completed all classes in addition to successfully completing the writing of a Demonstration Report and taking the Comprehensive Exam. Became a Member of the Appraisal Institute in December 1996. Have completed over 100 hours of continuing education through the Appraisal Institute every five years.

Employment

1988 - Present:

Self-Employed Real Estate Appraiser. Duties include the appraisal of various types of properties such as commercial, retail, industrial and vacant land. More complex assignments include easements, right-of-ways and special assessment districts. From 1996 to present, specialized in special assessment districts and community facilities districts appraisals for public entities, including Jurupa Community Services District, Corona Norco Unified School District, City of Corona, City of Chula Vista, City of San Marcos and City of Moreno Valley.

1986-1988:

Project Manager of Development for Ferguson Partners, Irvine, California. Duties included land acquisitions; review of fee appraisals and valuations; analysis of proposed development; planning and design; and management of development, construction and lease-up. The types of properties developed were commercial and industrial. Duties ranged from raw, vacant site development through property management of recently developed projects.

1981 - 1986

Manager of Finance, Construction for Community Development Division, The Irvine Company, Irvine, California. Duties included originating and managing a newly formed division of finance to bridge between the accounting functions and project management functions. Worked with analysis and budgets for Community Development Division. Coordinated with cities in forming new Assessment Districts and Community Facilities Districts to finance major infrastructure improvements. Types of properties were apartments and single-family residential lots on a for sale basis to apartment and homebuilders.

1980 - 1981

Investment Counselor, Newport Equity Funds, Newport Beach, California. Duties included obtaining private financing for residential properties, working with appraisals of properties and analyzing the investments.

Licenses

Real Estate Sales Person, State of California, 1980
Certified General Appraiser, State of California (#AG004793)

Organizations

MAI #11145 - The Appraisal Institute

Public Financing

CASTOFF Meetings, 2006, 2007, 2008, 2009, 2010, 2011, 2013, 2014, 2015 and 2016

Speaker, Mello-Roos & Special Assessment Financing, UCLA Extension Public Policy Program, February 2009 and March 2011

APPENDIX B-2

SUPPLEMENT TO APPRAISAL REPORT

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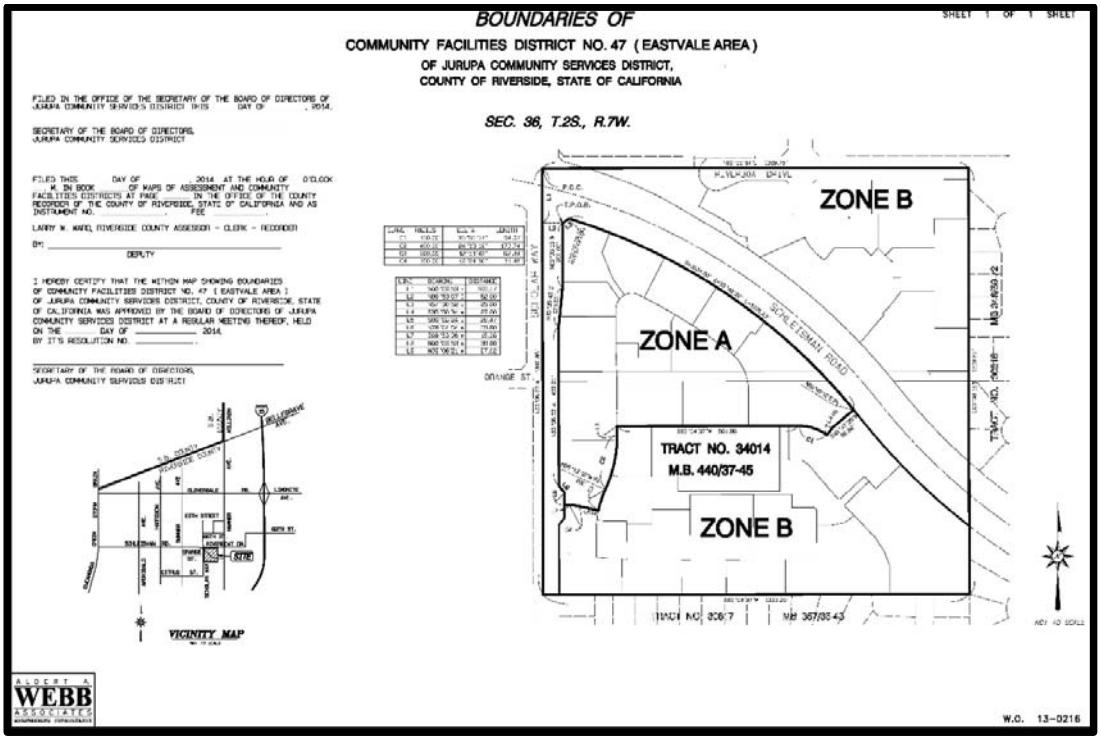
SUPPLEMENT TO APPRAISAL REPORT

COMMUNITY FACILITIES DISTRICT NO. 47
OF THE
JURUPA COMMUNITY SERVICES DISTRICT

City of Eastvale, Riverside County, California
(Appraisers' File No. 2017-1140S)



Prepared For
Jurupa Community Services District
11201 Harrell Street
Jurupa Valley, CA 91752

Prepared By
Kitty Siino & Associates, Inc.
115 East Second Street, Suite 100
Tustin, California 92780

KITTY SIINO & ASSOCIATES, INC.
REAL ESTATE APPRAISERS & CONSULTANTS

January 10, 2017

Mr. Steven Popelar, Director of Finance and Administration
Jurupa Community Services District
11201 Harrell Street
Jurupa Valley, California 91752

Reference: Supplement to Appraisal Report
Community Facilities District No. 47
Of the Jurupa Community Facilities District
(Copper Sky by DR Horton)
East side of Scholar Way at Schleisman Road, Eastvale

Dear Mr. Popelar:

At the request and authorization of the Jurupa Community Services District ("Client"), we have completed a Supplement to the Appraisal Report for Jurupa Community Services District Community Facilities District No. 47 ("JCSD CFD No. 47"). This Supplement is to be used in conjunction with the original Appraisal Report for the above referenced property dated December 22, 2016 with a date of value of November 15, 2016 which encompasses the residential community of Copper Sky by DR Horton ("Original Report"). In lieu of updating the entire appraisal, the purpose of this Supplement is to bring forward the date of value to January 3, 2017 and conclude if the property has a value not less than the value concluded in the Original Report. It should be noted that this report may not be understood properly on its own but rather should be used only in conjunction with the Original Report.

The purpose of this Supplement is to ascertain and discuss changes in the subject property along with any changes which occurred in the housing market between November 15, 2016 (date of value of Original Report) and January 3, 2017.

INTENDED USE OF APPRAISAL - It is the appraiser's understanding that the client, the Jurupa Community Services District, will utilize this Supplement in disclosure documents related to the sale of the Special Tax Bonds of JCSD CFD No. 47. This Supplement may be included in the Official Statement or similar document to be distributed in connection with the marketing and offering of the bonds. It is the appraiser's understanding that there are no other intended uses of this report.

SUBJECT PROPERTY - The subject property consists of 224 proposed single-family detached homes within the community developed by DR Horton and known as Copper Sky. Copper Sky included three products, Estrella at Copper Sky, Luna/Luna Pointe at Copper Sky and Copper Heights at Copper Sky. The property is further known as Lots 1-224 of Tract 34014, City of Eastvale, Riverside County. Please refer to the Addenda of this Supplement to view a table showing the ownership and condition by lot for both November 15, 2016 (from Original Report) and January 3, 2017.

OWNER OF RECORD AS OF January 3, 2017 - Lots 1-170, 177-188, 195, 216-223 of Tract 34014 are owned by Individual Homeowners. Lots 171-176, 189-194, 196-215 and 224 of Tract 34014 are owned by DR Horton.

PROPERTY RIGHTS APPRAISED - The property rights being appraised are of a fee simple estate interest, subject to easements of record and subject to JCSD CFD No. 47. The definition of fee simple estate is included in the Original Appraisal.

DEFINITIONS -
The term "Market Value" as used in this report is defined as:

> *"The most probable price 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:*
>
> 1. *buyer and seller are typically motivated;*
> 2. *both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;*
> 3. *a reasonable time is allowed for exposure in the open market;*
> 4. *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
> 5. *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."*[1]

For all other definitions please refer to Original Report.

DATE OF VALUE – January 3, 2017

DATE OF SUPPLEMENT – January 10, 2017

SCOPE OF WORK – The following items were completed in the scope of work for this assignment.

- Identify additional builder home sales and closings within the subject property and ascertain if the sales prices have increased, stayed the same or decreased.

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[1] The Appraisal of Real Estate, 13th Edition

- Identify additional construction on the subject property and report additional expenditures resulting in less remaining costs to complete.
- Review and report on the subject real estate market conditions and identify any changes since the Original Appraisal.
- Determine if the value is not less than the value conclusion in Original Report.

DISCUSSION – Between January 3, 2017 and January 10, 2017 inspections of the subject property were made by the appraiser. In addition sales offices were contacted and reviews of current information was conducted. This information included additional closings within Copper Heights, the only neighborhood within Copper Sky that wasn't sold out. We observed the following changes in the subject property between November 15, 2016 (date of value within Original Report) and January 3, 2017.

1. An additional 13 homes have closed escrow to individual homebuyers. As of the Original Report there were 178 homes closed and as of January 3, 2017 there were 191 homes closed to individual homebuyers.

2. An additional eight homes were constructed to over 95 percent complete and an additional ten homes began construction. As of the Original Report there were 18 homes under construction (under 95 percent complete) and 15 remaining finished lots. As of January 3, 2017 there were 20 homes under construction and five remaining finished lots.

3. An additional 8 homes were sold. As of the Original Report there were 193 homes sold and as of January 3, 2017 there were 201 homes sold. Note that sold homes include closed homes and homes that are under construction and sold. Out of the total 224 proposed homes, there are 16 currently available for sale, plus seven that have not been released which include the two models and the five lots within the final build-out phase.

4. An additional $375,000 of land development costs has been expended. As of the Original Report there were $1,026,000 remaining land development costs which included Grading/Erosion Control, Sewer/Water, Street Improvement, Site Lighting, Fencing, Common Areas/Landscaping and Fees to be paid by the builder. As of January 3, 2017 there were $651,000 in remaining development costs.

5. With the exception of a single Plan 4 within the subject property, all current escrows have base price increases over $1,000 when compared to the escrows at November 15, 2016. The only exception was a Plan 4 that had the same base price. It should be noted however, that two of the current escrows have concessions which make the actual sales prices lower than the base pricing. This is the case in the only escrow of a Plan 2 and in one of the two escrows of a Plan 4. It should be noted however, that the concluded value for these plans in the Original Report are still less than the actual sales prices for these two houses.

6. The average of the actual home sale prices within the subject property (includes concessions, options, upgrades and premiums) showed an increase between November 15, 2016 and January 3, 2017. In reviewing actual closed home sales prices since November 15, 2016 as compared to actual home sale prices between July 2016 and November 15, 2016, the average price has increased 2.3 percent. That is, there were 14 closings between July 20, 2016 and November 15, 2016 with an average sales price of $493,389 and there were 13 closings between November 15, 2016 and January 3, 2017 with an average sales price of $504,745. It should be noted that other factors skew the sales prices including home size, premiums and options purchased. As we do not have information on what options, premiums, upgrades or concessions are included within each sale, this information is more of an additional look to see if prices are generally changing up or down within the project.

SUBJECT REAL ESTATE MARKET - The subject real estate market has seen minimal changes over the past two months. There has been a decrease in sales numbers in overall Southern California from September to November along with a decrease in traffic within projects in the subject area. Both of these decreases are considered to be typical as home-buying slows down in the winter months. We have reviewed Metrostudy's Southern California Residential Survey for the week ending November 27, 2016 and the week ending December 25, 2016, the closest available information to the two dates of value. Our review included ten projects within Eastvale, Jurupa Valley and Ontario Ranch. All of the ten projects had traffic which decreased one-third to one-half of the previous month's traffic. Again, this is typical due to the winter home-buying season which is the slowest historically.

We have also reviewed CoreLogic's monthly update on Southern California which includes the number of sales and median price within each County. For the Original Report we were able to obtain information through October 2016 while the most current information is through November 2016. In overall Southern California sales were up 24.1 percent on a year over year basis from November 2015 to November 2016 and up 23.5 percent in Riverside County. Most economists agree that a portion of this increase was due to the expectation that interest rates were going to be increased in December, 2016. On a month over month basis, in overall Southern California sales were down 2.4 percent from October 2016 to November 2016, however were up in Riverside County 2.4 percent during this same time period. This decrease in overall Southern California is typical for this time of year due to the winter months' slow-down in the home-buying market. Sales prices in overall Southern California were up 5.9 percent in November 2016 on a year over year basis and were flat between October and November 2016. Within Riverside County sales prices were up 6.8 percent on a year over year basis and up 1.5 percent on a month over month basis (October to November 2016). The information available has a month time lag, however, it is important as it shows a trend of both prices and sales within Riverside County rising.

Finally, we have reviewed the Improved Residential Sales Market Data which was used in the Original Report (please refer to Addenda of Original Report). Our review concluded

that out of 23 home plans within the six projects within the Improved Residential Sales Chart, two plans had price decreases (one 0.4 percent and one 1.6 percent), eight plans had price increases (ranging from 0.3 percent to 3.45 percent) and the remaining 13 plans had pricing remain the same. One of the six projects included in the Improved Residential Sales Market Data is nearing sell out (The Trails by DR Horton). This review of the subject real estate market suggests that the market is still in an upward cycle as projects are selling out, new projects are opening and the majority of prices are increasing.

CONCLUSION – This Supplement is intended to be used in conjunction with the Original Appraisal Report prepared with a November 15, 2016 date of value. This Supplement is to ascertain whether the value that was concluded as of November 15, 2016 is still valid. While we have not concluded at a new value, it is evident that further land development has occurred, additional homes have closed, additional homes have been constructed and more homes are in escrow all suggesting the subject's value has not decreased. In addition it has been determined that the subject real estate market has not experienced any negative material changes since November 15, 2016. Based upon our investigation, we have determined that the current market value is not less than the concluded value as of November 15, 2016.

This Supplement is to be used in conjunction with the Original Report and subject to the attached Assumptions and Limiting Conditions and the Appraiser's Certification.

Respectfully submitted,

KITTY SIINO & ASSOCIATES, INC.

K. Siino

Kitty S. Siino, MAI
California State Certified General
Real Estate Appraiser (AG004793)

ASSUMPTIONS AND LIMITING CONDITIONS

1. This report might not include full discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Some supporting documentation concerning the data, reasoning and analyses may be retained in the appraiser's files. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3. It is assumed that the subject property is subject to the special tax lien of JCSD CFD No. 47.

4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5. The information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.

6. All engineering is assumed to be correct. Any plot plans and illustrative material used in this report are included only to assist the reader in visualizing the property and may not be to scale.

7. It is assumed that there are no hidden or unapparent conditions of either property, subsoil or structures that would render them more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in this report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in this appraisal report.

10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch or photograph included in this report may show approximate dimensions and is included only to assist the reader in visualizing the properties. Maps, photographs and exhibits found in this report are provided for reader reference

purposes only. No guarantee regarding accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements (if any) are within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert relating to asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials that may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Proposed improvements, if any, are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings, if any, must not be used in conjunction with any other appraisal and are invalid if so used.

16. The Americans with Disabilities Act ("ADA") became effective on January 26, 1992 and have been updated several times since then. The appraiser has made no specific compliance survey and analysis of the property to determine whether they conform to the various detailed requirements of the ADA, nor is the appraiser a qualified expert regarding the requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, a possible noncompliance with requirements of the ADA in estimating the value has not been considered.

17. It is assumed there are no environmental concerns that would slow or thwart development of the subject properties and that the soils are adequate to support the highest and best use conclusions.

18. It is assumed that the sales information provided by Lennar is true and accurate. We have reviewed and analyzed the sales along with checking samples on various public record documents and the information appears to be correct.

19. Possession of this report, or a copy thereof, does not carry 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 proper qualification and only in its entirety. Permission is given for this appraisal to be published as a part of the Official Statement or similar document for the JCSD CFD No. 47 Special Tax Bonds.

HYPOTHETICAL CONDITION

1. It is assumed that all improvements and benefits to the subject properties, which are to be funded by the JCSD CFD No. 47 Special Tax Bond proceeds are completed and in place.

APPRAISER'S CERTIFICATION

The appraiser certifies that to the best of his knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased, professional analyses, opinions and conclusions.

3. The appraiser has no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.

4. The appraiser's 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.

5. This appraisal was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

6. The analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

7. Kitty Siino has made a personal inspection of the property that is the subject of this report.

8. Kitty Siino has performed any appraisal services on the subject property in the past three years as described within this Supplement, an Original Appraisal of the property was completed with a date of value of November 15, 2016.

9. No other appraisers have provided significant professional assistance to the persons signing this report.

10. The reported analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.

11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

12. As of the date of this report, Kitty Siino has completed the requirements of the continuing education program of the Appraisal Institute.

K. Siino

Kitty S. Siino, MAI
State Certified General
Real Estate Appraiser (AG004793)

ADDENDA

Subject Property as of November 15, 2016 (from Original Report)

Description	No. Lots	Ownership	Condition/Status
TRACT NO. 34014			
Zone A - Estrella			
Lots 93-164 of Tract 34014	72	Individuals	Completed Houses / Closed
Subtotal Zone A	**72**		
Zone B			
Luna/Luna Pointe			
Lots 1-92 of Tract 34014	92	Individuals	Completed Houses / Closed
Copper Heights			
Lots 166-170, 177-180, 182, 219-221 and 223	14	Individuals	Completed Houses / Closed
Lots 173-174	2	DR Horton	Model Homes
Lots 165, 181, 183-190 and 222	11	DR Horton	Homes over 95% complete (9 in escrow)
Lots 191-203 and 214-218	18	DR Horton	Homes Under Construction (6 In escrow)
Lots 171-172, 175-176, 204-213 and 224	15	DR Horton	Finished Lots
Subtotal Copper Heights	60		
Subtotal Zone B	**152**		
Total Copper Sky	**224**		

Subject Property as of January 3, 2017

Description	No. Lots	Ownership	Condition/Status
TRACT NO. 34014			
Zone A - Estrella			
Lots 93-164 of Tract 34014	72	Individuals	Completed Houses / Closed
Subtotal Zone A	**72**		
Zone B			
Luna/Luna Pointe			
Lots 1-92 of Tract 34014	92	Individuals	Completed Houses / Closed
Copper Heights			
Lots 165-170, 177-188, 195, 216-223	27	Individuals	Completed Houses / Closed
Lots 173-174	2	DR Horton	Model Homes
Lots 189-194	6	DR Horton	Homes over 95% complete (3 in escrow)
Lots 196-215	20	DR Horton	Homes Under Construction (6 In escrow)
Lots 171, 172, 175, 176 & 224	5	DR Horton	Finished Lots
Subtotal Copper Heights	60		
Subtotal Zone B	**152**		
Total Copper Sky	**224**		

APPENDIX C

SUPPLEMENTAL INFORMATION CONCERNING JURUPA COMMUNITY SERVICES DISTRICT

The information and expressions of opinion set forth in this Appendix C have been obtained from sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness. Statements contained this Appendix C which involve estimates, forecasts, or matters of opinion, whether or not expressly so described this Appendix C, are intended solely as such and are not to be construed as representations of facts. The information and expressions of opinion this Appendix C are subject to change without notice, and neither delivery of this Official Statement nor any sale thereafter of the securities offered by this Official Statement shall under any circumstances create any implication that there has been no change in the affairs of the Services District or in any other information contained in the Official Statement since the date of the Official Statement.

The Jurupa Region

Jurupa Community Services District (the "Services District") encompasses an area of about 18,000 acres located in the northwestern portion of Riverside County approximately 47 miles east of the Los Angeles civic center and four miles west of downtown Riverside. The Services District serves an unincorporated area of Riverside County and the communities of the City of Eastvale and the newly incorporated City of Jurupa Valley.

The Services District is situated within an area identified as the Jurupa Region. The Jurupa Region is bordered on the north and west by Riverside County, on the east by the unincorporated community of Rubidoux. Its southern boundaries vary but are generally north of the Santa Ana River and the unincorporated community of Mira Loma. The Jurupa Region has historically had a predominantly rural to semi-rural setting, which is currently transitioning to residential neighborhoods typical of Southern California.

Services District Organization

The Services District was formed in 1956 under provisions of the Community Services District Law of the State of California (Government Code, Title 6, Division 2). The Services District has latent authority to provide a wide range of governmental services including water, sewerage, refuse disposal, fire protection, park and recreation, street lighting, mosquito abatement, police protection, library and street construction services. The Services District is currently authorized to provide water, sewerage, refuse disposal, street lighting services, and park and recreation services.

Assessed Valuation

Assessed Valuations within the Services District are established by the Riverside County Assessor, except for utility property, which is assessed by the State Board of Equalization.

The following table summarizes the assessed valuation for the Services District for Fiscal Years 2000-2001 to 2016-2017.

JURUPA COMMUNITY SERVICES DISTRICT
Assessed Valuation

Fiscal Year	*Secured*	*Unsecured*	*Homeowners Exemption*	*Assessed Valuation For Revenue Purposes*
2000-2001	$ 2,760,681,295	$162,268,615	$45,689,434	$ 2,968,639,344
2001-2002	3,144,459,413	203,938,006	46,190,967	3,394,588,386
2002-2003	3,616,186,493	229,831,387	49,864,166	3,895,882,046
2003-2004	4,234,076,806	273,929,670	59,430,133	4,567,436,609
2004-2005	5,131,265,591	271,102,562	64,882,439	5,467,250,592
2005-2006	6,682,508,363	309,168,779	69,598,955	7,061,276,097
2006-2007	8,948,118,714	334,229,665	75,430,074	9,357,778,453
2007-2008	11,226,489,285	389,512,067	81,854,795	11,697,856,147
2008-2009	11,407,274,991	457,292,966	88,592,718	11,953,160,675
2009-2010	10,345,290,058	457,986,993	92,837,644	10,803,277,051
2010-2011	10,340,376,355	440,726,102	95,598,096	10,781,102,457
2011-2012	10,540,364,228	460,212,578	96,214,104	11,000,576,806
2012-2013	10,704,732,043	454,922,182	96,109,603	11,159,654,225
2013-2014	11,336,526,916	470,368,986	96,134,935	11,806,895,902
2014-2015	12,506,305,177	457,420,328	96,246,964	12,963,725,505
2015-2016	13,315,486,101	454,557,831	96,251,298	13,770,043,932
2016-2017	14,340,548,828	485,611,516	96,908,400	14,826,160,344

Source: Riverside County Auditor-Controller and California Municipal Statistics, Inc.

Tax Levies and Delinquencies

The Riverside County Tax Collector collects property tax levies for each Fiscal Year on taxable real and personal property in the County as of the preceding January 1, the lien date for property taxes. Unsecured taxes are due on March 1 of each year and become delinquent August 31. One half of the secured tax levy is due November 1, and become delinquent December 10; the second installment is due February 1, and becomes delinquent April 10. A ten percent penalty is added to any late installment. On June 30, delinquent properties are sold to the State.

Property owners may redeem properties sold to the State upon payment of delinquent taxes and penalties. Such properties incur a redemption penalty of 1.5% of the tax due per month. Properties may be redeemed under an installment plan by paying current taxes, plus 20% of delinquent taxes for five years. Interest accrues at 1.5% of the tax due per month on the unpaid balance. If no payments have been made on delinquent taxes at the end of five Fiscal Years, the property is deeded to the State. Such properties may thereafter be conveyed to the County Tax Collector to be sold at a public auction as provided by law.

Employment

Residents of the Services District find employment throughout the Riverside-San Bernardino-Ontario Labor Market Area. This labor market area, as defined for reporting purposes by the California Employment Development Department, has boundaries coterminous with those of Riverside and San Bernardino Counties. The following tables set forth certain employment data for the Riverside - San Bernardino-Ontario Metropolitan Statistical Area and the County.

The following table represents the Annual Average Labor Force and Industry Employment for the County for the period from 2011 through 2015.

RIVERSIDE-SAN BERNARDINO-ONTARIO MSA
INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE

	2011	*2012*	*2013*	*2014*	*2015*
Civilian Labor Force	1,866,200	1,882,900	1,897,000	1,919,900	1,961,800
Civilian Employment	1,623,100	1,665,600	1,710,500	1,763,300	1,832,300
Civilian Unemployment	243,100	217,300	186,500	156,600	129,500
Civilian Unemployment Rate	13.0%	11.5%	9.8%	8.2%	6.6%
Total Farm	14,900	15,000	14,500	14,300	15,100
Total Nonfarm	1,154,500	1,185,200	1,233,300	1,289,300	1,347,400
Total Private	927,000	960,600	1,008,100	1,060,500	1,114,000
Goods Producing	145,200	150,500	158,600	170,200	182,100
Mining and Logging	1,000	1,200	1,200	1,300	1,300
Construction	59,100	62,600	70,000	77,600	85,200
Manufacturing	85,100	86,700	87,300	91,300	95,600
Service Providing	1,009,300	1,034,700	1,074,700	1,119,100	1,165,200
Trade, Transportation and Utilities	275,600	287,600	299,700	314,900	332,500
Wholesale Trade	49,200	52,200	56,400	58,900	61,700
Retail Trade	158,500	162,400	164,800	169,400	173,500
Transportation, Warehousing and Utilities	67,900	73,000	78,400	86,600	97,300
Information	12,200	11,700	11,500	11,300	11,300
Financial Activities	39,500	40,200	41,300	42,300	43,200
Professional and Business Services	126,000	127,500	132,400	139,300	144,400
Educational and Health Services	165,400	173,600	187,600	194,800	205,000
Leisure and Hospitality	124,000	129,400	135,900	144,800	151,500
Other Services	39,100	40,100	41,100	43,000	44,000
Government	227,500	224,600	225,200	228,800	233,400
Total, All Industries	1,169,400	1,200,200	1,247,800	1,303,700	1,362,400

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 total due to independent rounding. The "Total, All Industries" data is not directly comparable to the employment data found in this Appendix C.

Source: State of California, Employment Development Department, March 2015 Benchmark.

The following table summarizes the labor force, employment and unemployment figures for the years 2009 through 2015 for County, the State and the nation as a whole.

COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA AND UNITED STATES
Average Annual Civilian Labor Force, Employment and Unemployment

Year and Area	*Labor Force*	*Employment*[1]	*Unemployment*[2]	*Unemployment Rate (%)*[3]
2009				
Riverside County	915,800	795,800	120,000	13.1%
California	18,225,100	16,182,600	2,134,400	11.8
United States[4]	154,142,000	139,877,000	14,265,000	9.3
2010				
Riverside County	976,200	841,100	135,200	13.8%
California	18,336,300	16,091,900	2,244,300	12.2
United States[4]	153,889,000	139,064,000	14,825,000	9.6
2011				
Riverside County	939,600	810,400	129,200	13.8%
State of California	18,417,900	16,249,600	2,168,300	11.8
United States[4]	153,617,000	139,869,000	13,747,000	8.9
2012				
Riverside County	944,500	828,800	115,600	12.3%
State of California	18,519,000	16,589,700	1,929,300	10.4
United States[4]	154,975,000	142,469,000	12,506,000	8.1
2013				
Riverside County	953,200	855,300	97,900	10.3%
State of California	18,596,800	16,933,300	1,663,500	8.9
United States[4]	155,389,000	143,929,000	11,460,000	7.4
2014				
Riverside County	1,011,500	928,200	83,400	8.2%
State of California	18,811,400	17,397,100	1,414,300	7.5
United States[4]	155,922,000	146,305,000	9,617,000	6.2
2015				
Riverside County	1,035,200	965,500	69,600	6.7%
State of California	18,981,800	17,798,600	1,183,200	6.2
United States[4]	157,130,000	148,834,000	8,296,000	5.3

(1) Includes persons involved in labor-management trade disputes.
(2) Includes all persons without jobs who are actively seeking work.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
(4) Not strictly comparable with data for prior years.
Source: California Employment Development Department, March 2015 Benchmark and U.S. Department of Labor, Bureau of Labor Statistics.

Largest Employers

The following tables show the largest employers located in the County as of fiscal year 2015.

LARGEST EMPLOYERS
County of Riverside
2015

Rank	*Name of Business*	*Employees*	*Type of Business*
1.	County of Riverside	20,684	County Government
2.	March Air Reserve Base	8,500	Military Reserve Base
3.	Stater Bros. Markets	6,900	Supermarkets
4.	Walmart	6,550	Super Store
5.	University of California, Riverside	5,768	University
6.	Kaiser Permanente Riverside Medical Center	5,300	Medical Center
7.	Pechanga Resort & Casino	5,300	Hotel & Casino
8.	Corona Norco Unified School District	4,932	School District
9.	Temecula Valley Unified School District	4,000	School District
10.	Riverside Unified School District	3,871	School District

Source: County of Riverside 'Comprehensive Annual Financial Report' for the year ending June 30, 2015.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

Total personal income in Riverside County increased by 106% between 2001 and 2015. The following tables summarize personal income for Riverside County for 2001 through 2015.

PERSONAL INCOME
Riverside County
2001-2015
(Dollars in Thousands)

Year	*Riverside County*	*Annual Percent Change*
2001	$40,783,163	--
2002	43,435,275	6.5%
2003	47,564,824	9.5
2004	52,829,917	11.1
2005	57,669,741	9.2
2006	63,538,333	10.2
2007	66,347,611	4.4
2008	67,367,683	1.5
2009	65,359,484	(3.0)
2010	66,904,690	2.4
2011	71,213,948	6.4
2012	73,158,724	2.7
2013	75,223,346	2.8
2014	78,852,989	4.8
2015	84,025,987	6.6

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

The following tables summarizes per capita personal income for Riverside County, the State of California and the United States for the years 2001 – 2015. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

PER CAPITA PERSONAL INCOME
Riverside County, State of California and the United States
2001-2015

Year	*Riverside County*	*California*	*United States*
2001	$25,227	$33,671	$31,540
2002	25,745	33,901	31,815
2003	26,848	35,234	32,692
2004	28,456	37,551	34,316
2005	29,853	39,521	35,904
2006	31,574	42,334	38,144
2007	31,972	43,692	39,821
2008	31,932	44,162	41,082
2009	30,446	42,224	39,376
2010	30,380	43,315	40,277
2011	31,828	45,820	42,453
2012	32,263	48,312	44,267
2013	32,765	48,471	44,462
2014	33,867	50,988	46,414
2015	35,589	53,741	48,112

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

Retail Sales

The tables below present taxable sales for the years 2007 through 2015 for the County.

County of Riverside
2007-2015[1]
(Dollars in Thousands)

Year	*Permits*	*Taxable Transactions*
2007	45,279	$29,023,609
2008	46,272	26,003,595
2009	42,765	22,227,877
2010	45,688	23,152,780
2011	46,886	25,641,497
2012	48,316	28,096,009
2013	46,805	30,065,467
2014	48,453	32,035,687
2015[1]	55,857[1]	32,910,910[1]

[1] Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.

Source: California State Board of Equalization, Research and Statistics Division.

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APPENDIX D

SUMMARY OF FISCAL AGENT AGREEMENT

The following is a summary of certain provisions of the Fiscal Agent Agreement 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 Fiscal Agent Agreement for the complete provisions thereof.

DEFINITIONS

Definitions. Unless the context otherwise requires, the terms defined in the Agreement shall, for all purposes of the Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document mentioned in the Agreement, have the meanings specified in the Agreement. All references in the Agreement to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to the Agreement as a whole and not to any particular Article, Section or subdivision of the Agreement.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the Services District in carrying out its duties under the Agreement (including, but not limited to, the levying and collection of the Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of Services District staff directly related thereto and a proportionate amount of Services District general administrative overhead related thereto, any amounts paid by the Services District from its general funds pursuant to the Agreement, the fees and expenses of the Services District's financial advisor, if any, and all other costs and expenses of the Services District or the Fiscal Agent incurred in connection with the discharge of their respective duties under the Agreement and, in the case of the Services District, in any way related to the administration of the District.

"Administrative Expense Fund" means the fund by that name established by the Agreement.

"Agreement" means the Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions of the Agreement.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds scheduled to be paid.

"Auditor" means the Auditor-Controller of the County of Riverside.

"Authorized Officer" means any officer or employee of the Services District authorized by the Board of Directors or by an Authorized Officer to undertake the action referenced in the Agreement as required to be undertaken by an Authorized Officer.

"Board of Directors" means the Board of Directors of the Services District.

"Bond Counsel" means any attorney or firm of attorneys acceptable to the Services District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Fund" means the fund by that name established by the Agreement.

"Bond Year" means the period beginning on the Closing Date and ending on September 1, 2017 and thereafter the period beginning on each September 2 and ending on the following September 1.

"Bonds" means, unless otherwise expressly provided, the Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds, 2017 Series A, authorized by and at any time Outstanding pursuant to the Act and the Agreement.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the State of California or in any state in which the Fiscal Agent has its Principal Office are authorized or obligated by law or executive order to be closed.

"City" means the City of Eastvale.

"City Certificate" means a Certificate signed by the City Manager of the City or the Director of Finance requesting the disbursement of funds from the City Facilities Account pursuant to the Agreement.

"City Facilities" means the public facilities of the City the construction and acquisition of which are to be financed with the proceeds deposited in the City Facilities Account as specified in the City Joint Community Facilities Agreement.

"City Facilities Account" means the account by that name established in the Improvement Fund by the Agreement.

"City Joint Community Facilities Agreement means the Joint Community Facilities Agreement dated as of May 27, 2014, by and between the Services District and the City.

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing payment of the purchase price of the Bonds by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986, as amended.

"Continuing Disclosure Agreement" means the Disclosure Dissemination Agent Agreement between the Services District and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent thereunder, dated as of the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means items of expense payable or reimbursable directly or indirectly by the Services District and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, including but not limited to the preliminary official statement and official statement regarding the Bonds, closing costs, filing and recording fees, initial fees and charges of the Fiscal Agent including its first annual administration fee and the fees of its counsel, expenses incurred by the Services District in connection with the issuance of the Bonds and the establishment of the District, Bond (underwriter's) discount, legal fees and charges, including the fees of Bond Counsel and Disclosure Counsel, financial advisor's fees, charges for authentication, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

"Costs of Issuance Fund" means the fund by that name established by the Agreement.

"Debt Service" means the amount of interest and principal payable on the Bonds scheduled to be paid during the period of computation, excluding amounts payable during such period which relate to principal of the Bonds which are scheduled to be retired and paid before the beginning of such period.

"Defeasance Securities" means for, purposes of the Agreement, the following:

(i) Cash;

(ii) United States Treasury Certificates, Notes and Bonds (including State and Local Government Series - "SLGs");

(iii) Direct obligations of the United States Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;

(iv) Resolution Funding Corporation (REFCORP) obligations; provided that only the interest component of REFCORP strips which have been stripped by request of the Federal Reserve Bank of New York in book-entry form are acceptable;

(v) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by Standard & Poor's; provided, however, that if the issue is only rated by Standard & Poor's (*i.e.*, there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct United States or United States guaranteed obligations, or "AAA" rated pre-refunded municipal bonds; and

(vi) Obligations issued by the following agencies which are backed by the full faith and credit of the United States of America:

(a) U.S. Export-Import Bank
Direct obligations or fully guaranteed certificates of beneficial ownership

(b) Federal Financing Bank

(c) General Services Administration
Participation certificates

(d) United States Maritime Administration
Guaranteed Title XI financing

(e) United States Department of Housing and Urban Development
Project notes
Local Authority Bonds
New Communities Debentures - United States government guaranteed debentures
United States Public Housing Notes and Bonds - United States government guaranteed public housing notes and bonds.

"District" means Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District, County of Riverside, State of California.

"Facilities" means the public facilities which are to be financed with the proceeds of the sale of the bonds of the District as described in Resolution No. 2434 adopted by the Board of Directors on May 27, 2014.

"Federal Securities" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

(i) Cash; and

(ii) Direct general obligations of (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 CATS and TIGRS), or obligations, the payment of principal of and interest on which is unconditionally guaranteed by the United States of America.

"Fiscal Agent" means U.S. Bank National Association, the Fiscal Agent appointed by the Services District, acting as an independent fiscal agent with the duties and powers provided in the Agreement, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Agreement.

"Fiscal Year" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Improvement Fund" means the fund by that name established by the Agreement.

"Independent Financial Consultant" means a firm of certified public accountants, a financial consulting firm, a consulting engineering firm or engineer which is not an employee of, or otherwise controlled by, the Services District, or the Special Tax Consultant.

"Information Services" means the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board at *www.emma.msrb.org*; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Services District may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Interest Account" means the account by that name established by the Fiscal Agent in the Bond Fund pursuant to the Agreement.

"Interest Payment Dates" means March 1 and September 1 of each year, commencing September 1, 2017.

"Investment Earnings" means all interest earned and any gains and losses on the investment of moneys in any fund or account created by the Agreement excluding interest earned and gains and losses on the investment of moneys in the Rebate Fund.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Moody's" shall mean Moody's Investors Service, Inc., a national rating service with offices in New York, New York.

"Officer's Certificate" means a written certificate of the Services District signed by an Authorized Officer of the Services District.

"Ordinance" means any ordinance of the Services District or resolution of the Board of Directors levying the Special Taxes.

"Original Purchaser" means the first purchaser of the Bonds from the Services District.

"Outstanding," when used as of any particular time with reference to the Bonds, means (subject to the provisions of the Agreement) all Bonds except:

(i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation;

(ii) Bonds called for redemption which, for the reasons specified in the Agreement, are no longer entitled to any benefit under the Agreement other than the right to receive payment of the redemption price therefor;

(iii) Bonds paid or deemed to have been paid within the meaning of the Agreement; and

(iv) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Services District and authenticated by the Fiscal Agent pursuant to the Agreement or any Supplemental Agreement.

"Owner" means any person who shall be the registered owner of any Outstanding Bond.

"Parity Bonds" means bonds issued by the District for the purpose of accomplishing the defeasance and redemption of all or a portion of the Outstanding Bonds pursuant to the Agreement.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the money proposed to be invested therein:

(i) Any Defeasance Securities.

(ii) Federal Housing Administration debentures.

(iii) Direct obligations of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

(a) Federal Home Loan Mortgage Corporation ("FHLMCs") – participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) and senior debt obligations.

(b) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) – consolidated system-wide bonds and notes.

(c) Federal Home Loan Banks – consolidated debt obligations.

(d) Federal National Mortgage Association ("FNMAs") – senior debt obligations and mortgage backed securities (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts).

(e) Financing Corporation (FICO) – debt obligations.

(f) Resolution Funding Corporation – debt obligations.

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

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

(vi) Commercial paper (having original maturities of not more than 30 days) rated "A-1" by S&P and "Prime-1" by Moody's.

(vii) Money market funds rated in the highest rating category by S&P and Moody's, including funds for which the Fiscal Agent, its parent holding company, if any, or any affiliates or subsidiaries of the Fiscal Agent provide investment advisory or other management services.

(viii) "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 "MIG-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.

(ix) 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 (as defined in the definition of Defeasance Obligations in the Agreement) 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 (plus any cash in the escrow) 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 an escrow agent or 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 or escrow agent.

(x) Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "AA" 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 "AA" 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 "AA" or better by S&P and Moody's, provided that:

(a) The market value of the 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);

(b) The Fiscal Agent or a third party acting solely as agent therefor or for the Services 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) All other requirements of S&P and Moody's in respect of repurchase agreements shall be met;

(e) 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 Services District or the Fiscal Agent, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Services District or the Fiscal Agent.

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.

(xi) 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 is rated at least "AA (stable)" by S&P and "Aa (stable)" by Moody's, or, in the case of a monoline financial guaranty insurance company, the claims paying ability of the guarantor is rated at least "AAA (stable)" by S&P and "Aaa (stable)" by Moody's; provided that, by the terms of the investment agreement:

(a) interest payments are to be made to the Fiscal Agent at times and in amounts as necessary to pay debt service on the 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 Services District and the Fiscal Agent agrees 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, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(d) the Services District or the Fiscal Agent receives the opinion of domestic counsel (which opinion shall be addressed to the Services District) 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 Services District;

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

(i) 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 Services District, the Fiscal Agent 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

(ii) 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 Services District or the Fiscal Agent, 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 Services District or Fiscal Agent, 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

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

(ii) 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 Services District or the Fiscal Agent, as appropriate.

(xii) the Local Agency Investment Fund in the State Treasury of the State of California as permitted by the State Treasurer pursuant to Section 16429.1 of the California Government Code.

"Principal Account" means the account by that name established by the Fiscal Agent pursuant to the Agreement.

"Principal Office" means with respect to the payment, registration, surrender, exchange or transfer of any Bond or Bonds, the principal corporate trust operations office or agency of the Fiscal Agent in St. Paul, Minnesota, or such other offices as the Fiscal Agent may designate.

"Proceeds," when used with reference to the Bonds, means the aggregate principal amount of the Bonds, plus accrued interest and premium, if any, less original issue discount, if any.

"Rates and Method of Apportionment" means the Rates and Method of Apportionment of Special Tax for Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District.

"Rebate Certificate" means the certificate delivered by the Services District upon the delivery of the Bonds relating to Section 148 of the Code, or any functionally similar replacement certificate.

"Rebate Fund" means the fund by that name established by the Agreement.

"Record Date" means the fifteenth (15th) day of the month next preceding the applicable Interest Payment Date whether or not such day is a Business Day.

"Regulations" means the temporary and permanent regulations of the United States Department of the Treasury promulgated under the Code.

"Representation Letter" means the representation letter which the Services District has delivered to The Depository Trust Company ("DTC") with respect to the utilization of the book-entry system maintained by DTC for the issuance and registration of bonds.

"Reserve Fund" means the fund by that name established by the Agreement.

"Reserve Fund Replenishment Obligation" means an obligation of the Services District to levy an additional amount of Special Taxes on parcels of taxable property in the District to replenish the Reserve Fund as a result of the transfer of moneys from the Reserve Fund to the Interest Account and the Principal Account to make up a deficiency in the amount on deposit in and available for transfer from the Special Tax Fund to the Interest Account and the Principal Account pursuant to the Agreement.

"Reserve Requirement" means on any date in any Bond Year the lesser of (i) ten percent (10%) of the original principal amount of the Bonds, (ii) Maximum Annual Debt Service on the Bonds or (iii) 125 percent of average Annual Debt Service on the Bonds, as determined by the Services District.

"Resolution" means Resolution No. 2718 adopted by the Board of Directors on February 13, 2017.

"School District" means Corona-Norco Unified School District.

"School District Certificate" means a certificate signed by the Superintendent or an Assistant Superintendent of the School District requesting the disbursement of funds from the School District Facilities Account pursuant to the Agreement.

"School District Facilities" means the public school facilities of the School District the construction and acquisition of which are to be financed with the Proceeds deposited in the School District Facilities Account as specified in the School District Joint Community Facilities Agreement.

"School District Facilities Account" means the account by that name established in the Improvement Fund by the Agreement.

"School District Joint Community Facilities Agreement" means the Joint Community Facilities Agreement, dated as of December 10, 2013, by and between the Services District and the School District.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, New York, 10041-0099, Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Services District may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Services District" means Jurupa Community Services District.

"Services District Facilities" means the parks and park and recreation improvements and master plan water and sewer system facilities of the Services District the construction and acquisition of which are to be financed with the Proceeds deposited in the Services District Facilities Account.

"Services District Facilities Account" means the account by that name established in the Improvement Fund by the Agreement.

"Special Taxes" or "Special Tax" means the special taxes levied by the Board of Directors on parcels of taxable property for the Debt Service and Facilities Special Tax Requirement within the District pursuant to the Rate and Method of Apportionment, the Act and the Agreement.

"Special Tax Consultant" means an engineer or financial consultant or other such person or firm with expertise in the apportionment and levy of special taxes in community facilities districts which is employed by the Services District to assist the Services District in levying the Special Taxes.

"Special Tax Fund" means the fund by that name established by the Agreement.

"Special Tax Prepayments" means amounts received by the Services District as prepayments of all or a portion of the Special Tax obligation of a parcel of property in the District.

"Special Tax Prepayments Account" means the account by that name established by the Fiscal Agent in the Bond Fund pursuant to the Agreement.

"Special Tax Revenues" means the proceeds of the Special Taxes received by the Services District, including any scheduled payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes in the amount of said lien and interest and penalties thereon.

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a national rating service with offices in New York, New York.

"Supplemental Agreement" means an agreement amending and supplementing the Agreement as permitted by the Agreement.

"Surplus Account" means the account by that name established in the Special Tax Fund by the Agreement.

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS; IMPROVEMENT FUND; SPECIAL TAX FUND; ADMINISTRATIVE EXPENSE FUND; COSTS OF ISSUANCE FUND

Improvement Fund

(A) Establishment of Improvement Fund. There is established, as a separate fund to be held by the Fiscal Agent, the "Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds Improvement Fund." There are established as separate accounts in the Improvement Fund, to be held by the Fiscal Agent, the "Services District Facilities Account," "City Facilities Account" and the "School District Facilities Account" to the credit of which deposits shall be made as required by the Agreement. Moneys in the Improvement Fund, and all accounts therein, shall be held by the Fiscal Agent for the benefit of the Services District, the City and the School District, as provided below, and shall be disbursed, except as otherwise provided in the Agreement, for the payment or reimbursement of the costs of the design, acquisition and construction of the Facilities as provided below.

(B) Procedure for Disbursement.

(1) Services District Facilities Account. Disbursements from the Services District Facilities Account shall be made by the Fiscal Agent upon receipt of an Officer's Certificate which shall:

(a) be identified as a payment requisition and be sequentially numbered, *i.e.*, "Requisition No. __," (except that no numbering shall be required if the Officer's Certificate is a requisition for the full amount on deposit in the Services District Facilities Account);

(b) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made and the person to which the disbursement is to be paid; and

(c) certify that no portion of the amount then being requested to be disbursed was set forth in any Officer's Certificate previously filed with the Fiscal Agent requesting disbursement, and that the amount being requested is an appropriate disbursement from the Services District Facilities Account.

(2) City Facilities Account. Disbursements from the City Facilities Account shall be made by the Fiscal Agent upon receipt of a City Certificate which shall:

(a) be identified as a payment requisition and be sequentially numbered, *i.e.*, "Requisition No. __," (except that no numbering shall be required if the City Certificate is a requisition for the full amount on deposit in the City Facilities Account);

(b) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made and the person to which the disbursement is to be paid;

(c) certify that the amount required to be disbursed is for payment of costs related to the construction and acquisition of the City Facilities as described in the City Joint Community Facilities Agreement; and

(d) certify that no portion of the amount then being requested to be disbursed was set forth in any City Certificate previously filed with the Fiscal Agent requesting disbursement, and that the amount being requested is an appropriate disbursement from the City Facilities Account.

If any amount on deposit in the City Facilities Account will not be disbursed for payment of the costs of the construction and acquisition of the City Facilities, the Fiscal Agent shall, upon receipt of written direction from the Services District (upon which the Fiscal Agent may conclusively rely) transfer such amount to the Services District Facilities Account.

(3) School District Facilities Account. Disbursements from the School District Facilities Account shall be made by the Fiscal Agent upon receipt of a School District Certificate which shall:

(a) be identified as a payment requisition and be sequentially numbered, *i.e.*, "Requisition No. __," (except that no numbering shall be required if the School District Certificate is a requisition for the full amount on deposit in the School District Facilities Account);

(b) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made and the person to which the disbursement is to be paid;

(c) certify that the amount required to be disbursed is for payment of costs related to the construction and acquisition of the School District Facilities as described in the School District Joint Community Facilities Agreement; and

(d) certify that no portion of the amount then being requested to be disbursed was set forth in any School District Certificate previously filed with the Fiscal Agent requesting disbursement, and that the amount being requested is an appropriate disbursement from the School District Facilities Account.

If any amount on deposit in the School District Facilities Account will not be disbursed for payment of the costs of the construction and acquisition of the School District Facilities, the Fiscal Agent shall, upon receipt of written direction from the Services District (upon which the Fiscal Agent may conclusively rely) transfer such amount to the Services District Facilities Account.

(C) Investment. Moneys in the Improvement Fund, and each account therein, shall be invested and deposited in accordance with the Agreement. Investment Earnings from amounts on deposit in the Services District Facilities Account shall be retained by the Fiscal Agent in such account to be used for the purposes of such account. Investment Earnings from amounts on deposit in the City Facilities Account shall be retained by the Fiscal Agent in such account to be used for the purposes of such account. Investment Earnings from amounts on deposit in the School District Facilities Account shall be retained by the Fiscal Agent in such account to be used for the purposes of such account.

(D) Closing of Fund. Upon the filing of an Officer's Certificate stating that the portions of the Facilities which are to be financed with the moneys on deposit in the Services District Facilities Account, the City Facilities Account and the School District Facilities Account have been completed and that all costs of such portions of the Facilities have been paid or are not required to be paid from the Improvement Fund and all accounts therein, and further stating that moneys on deposit in the Improvement Fund, and all accounts therein, are not needed to complete such portions of the Facilities or reimburse the cost thereof, the Fiscal Agent shall transfer the amount, if any, remaining in the Improvement Fund and all accounts therein to the Principal Account of the Bond Fund to be used to pay the principal of the Bonds, and the Fiscal Agent shall close the Improvement Fund and the accounts therein.

(E) Reliance on Certificates. Upon receipt of an Officer's Certificate, City Certificate or a School District Certificate delivered pursuant to the Agreement, the Fiscal Agent is authorized to act thereon without further inquiry and shall not be responsible for the accuracy of the statements made in such Officer's Certificate, City Certificate or School District Certificate or the application of the funds disbursed pursuant

thereto, and shall be absolutely protected and incur no liability in relying on such Officer's Certificate, City Certificate or School District Certificate.

Special Tax Fund

(A) Establishment of Special Tax Fund. There is established, as a separate account to be held by the Fiscal Agent, the "Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds Special Tax Fund" to the credit of which the Services District shall deposit, within ten (10) Business Days after receipt, the Special Tax Revenues of the District received by the Services District. There is also established in the Special Tax Fund, a separate account to be held by the Fiscal Agent, called the "Surplus Account," to the credit of which moneys shall be deposited as provided in the Agreement. Moneys in the Special Tax Fund shall be held by the Fiscal Agent for the benefit of the Services District and the Owners of the Bonds, shall be disbursed as provided below and, pending disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

Notwithstanding the foregoing, any amounts received by the Services District which constitute Special Tax Prepayments shall be transferred by the Services District immediately upon receipt to the Fiscal Agent for deposit by the Fiscal Agent in the Special Tax Prepayments Account established pursuant to the Agreement.

(B) Disbursements. As soon as practicable after the receipt from the Services District of any Special Tax Revenues, but no later than ten (10) Business Days after such receipt, the Fiscal Agent shall withdraw from the Special Tax Fund and deposit in the Administrative Expense Fund the amount estimated by the Services District, in an Officer's Certificate delivered to the Fiscal Agent (upon which the Fiscal Agent may conclusively rely), to be sufficient, together with the amount then on deposit in the Administrative Expense Fund, to pay the Administrative Expenses during the current Fiscal Year; provided, however, that the amount deposited in the Administrative Expense Fund prior to the deposits to the Interest Account and the Principal Account of the Bond Fund, as provided below, shall not exceed $40,000 for any Fiscal Year. From the amounts then remaining on deposit in the Special Tax Fund, the Fiscal Agent shall, as soon as such amounts are sufficient, deposit in the Reserve Fund the amounts, if any, which the Services District shall direct in an Officer's Certificate delivered to the Fiscal Agent (upon which the Fiscal Agent may conclusively rely), to be withdrawn from the Special Tax Fund to make the amount on deposit therein equal to the Reserve Requirement. The amount, if any, to be withdrawn from such fund and deposited in the Reserve Fund shall be determined for the Services District by the Special Tax Consultant and shall be the amount to be deposited in the Reserve Fund as a result of delinquencies in the payment of Special Taxes levied on parcels of property in the District. Thereafter, on or before each Interest Payment Date, the Fiscal Agent shall deposit in the Interest Account and the Principal Account of the Bond Fund the amounts required to pay the interest on and the principal of the Bonds on such Interest Payment Date, as provided in the Agreement. Notwithstanding the provisions of the Agreement, if the amount of the Special Tax Revenues collected by the Services District for any Fiscal Year is less than the total amount of the Special Taxes which were levied on parcels of taxable property in the District for such Fiscal Year, the Services District shall not direct the Fiscal Agent to transfer any amount from the Special Tax Fund for deposit in the Reserve Fund, but shall instead direct the Fiscal Agent to deposit the entire amount remaining in such fund, after the appropriate transfer to the Administrative Expense Fund, to the Interest Account and the Principal Account as provided in the Agreement.

Notwithstanding the preceding provisions of the Agreement, if prior to the September 1 Interest Payment Date in any Bond Year the Services District determines that Special Tax Revenues will be sufficient to enable the Fiscal Agent to deposit in the Reserve Fund the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement and deposit in the Bond Fund the full amount required for deposit to the Interest Account and the Principal Account to pay the interest on and principal of the Bonds on such Interest Payment Date, the Services District may instruct the Fiscal Agent in an Officer's Certificate, upon which the Fiscal Agent may conclusively rely, to deposit an additional amount in the Administrative Expense Fund before making the required deposit to the Bond Fund, and the Fiscal Agent shall

deposit such additional amount in the Administrative Expense Fund before depositing any amount to the Reserve Fund or the Bond Fund.

On or before the March 1 Interest Payment Date in each Bond Year, if the amount of other moneys which is on deposit in the Special Tax Fund is less than the amount of the interest on the Bonds which is due on such Interest Payment Date, the Fiscal Agent shall transfer moneys from the Surplus Account to the extent of moneys on deposit therein and available for transfer, to and deposit such moneys in the Interest Account of the Bond Fund in an amount not to exceed the deficiency in the amount of other moneys which are on deposit in the Special Tax Fund and available for transfer, to pay the full amount of the interest on the Bonds which is due and payable on such Interest Payment Date. On or before the September 1 Interest Payment Date in each Bond Year, if the amount of other moneys which is on deposit in the Special Tax Fund is less than the amount of the interest on and principal of the Bonds which is due on such Interest Payment Date, the Fiscal Agent shall transfer moneys from the Surplus Account of the Special Tax Fund to the extent of moneys on deposit therein and available for transfer, to and deposit such moneys in the Interest Account and the Principal Account in amounts not to exceed the amount of the deficiency in the amount of other moneys which are on deposit in the Special Tax Fund, and available for transfer, to pay the full amount of the interest on and principal of the Bonds which is due and payable on such Interest Payment Date. On or before May 30 of each year, commencing on May 30, 2018, the Fiscal Agent shall notify the Services District of the amounts which are then on deposit in the Surplus Account and of the aggregate amount of the principal of and interest on the Bonds which will become due and payable on March 1 and September 1 of the following calendar year.

On September 2 of each year, beginning on September 2, 2017, the amounts, if any, on deposit in the Special Tax Fund (including the amounts on deposit in the Surplus Account therein), together with the amount then on deposit in the Principal Account, but not the amount on deposit in the Interest Account or the Special Tax Prepayments Account, as determined by the Services District, shall not exceed the greater of (i) one year's earnings on such amounts, or (ii) one-twelfth (1/12th) of Annual Debt Service for the then current Bond Year. If on September 2 of any year the amount on deposit in the Special Tax Fund (including such accounts), together with the amount then on deposit in the Principal Account, exceeds the maximum amount allowable pursuant to the preceding sentence, as determined by the Services District and communicated in an Officer's Certificate delivered to the Fiscal Agent (upon which the Fiscal Agent may conclusively rely), such excess amount shall be transferred from the Special Tax Fund to and deposited in the Reserve Fund to the extent that the amount on deposit therein is less than the Reserve Requirement, and to the extent that such deficiency in the Reserve Fund is attributable to a transfer or transfers of an amount or amounts from the Reserve Fund to the Interest Account and/or the Principal Account as a result of a deficiency in amount of moneys on deposit in the Special Tax Fund. Any such excess remaining in the Special Tax Fund after any such amount is transferred to the Reserve Fund shall be transferred from the appropriate accounts, as communicated in an Officer's Certificate delivered to the Fiscal Agent (upon which the Fiscal Agent may conclusively rely), and deposited in the Administrative Expense Fund. For purposes of the Officer's Certificates delivered to the Fiscal Agent pursuant to the Agreement. On September 2 of each year, after any such excess amount has been transferred as provided in the Agreement, the amount on deposit in the Special Tax Fund (including all accounts and sub-accounts therein), together with the amount then on deposit in the Principal Account, shall not exceed in the aggregate the greater of (i) one year's earnings thereon, or (ii) one-twelfth (1/12th) of Annual Debt Service for the then current Bond Year.

(C) Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with the Agreement. Investment Earnings shall be retained in the Special Tax Fund to be used for the purposes thereof.

Administrative Expense Fund

(A) Establishment of Administrative Expense Fund. There is established, as a separate account to be held by the Fiscal Agent, the "Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds Administrative Expense Fund" to the credit of which deposits shall be

made as required by the Agreement. Moneys in the Administrative Expense Fund shall be held by the Fiscal Agent for the benefit of the Services District, and shall be disbursed as provided below.

(B) Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the Fiscal Agent and paid to the Services District or its order upon receipt by the Fiscal Agent of an Officer's Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense (or a Cost of Issuance) and the nature of such Administrative Expense (or Cost of Issuance).

Annually, not later than the last day of each Fiscal Year, the Fiscal Agent shall withdraw any amount then remaining in the Administrative Expense Fund that has not been allocated by an Officer's Certificate received by the Fiscal Agent from the Services District to pay Administrative Expenses which are expected to be incurred in the succeeding Fiscal Year prior to the receipt by the Services District of Special Tax Revenues for such succeeding Fiscal Year and transfer such amount to the Special Tax Fund.

(C) Investment. Subject to the provisions of the Agreement, moneys in the Administrative Expense Fund shall be invested and deposited in accordance with the Agreement. Investment Earnings shall be retained by the Fiscal Agent in the Administrative Expense Fund to be used for the purposes of such fund.

Costs of Issuance Fund

(A) Establishment of Costs of Issuance Fund. There is established, as a separate account to be held by the Fiscal Agent, the "Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds Costs of Issuance Fund" to the credit of which a deposit shall be made as required by the Agreement. Moneys in the Cost of Issuance Fund shall be held by the Fiscal Agent and shall be disbursed as provided in the Agreement for the payment or reimbursement of Costs of Issuance.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed to pay Costs of Issuance, as set forth in a requisition containing respective amounts to be paid to the designated payees, signed by an Authorized Officer and delivered to the Fiscal Agent on the Closing Date. The Fiscal Agent shall pay all Costs of Issuance upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such requisition, or upon receipt of an Officer's Certificate requesting payment of a Cost of Issuance not listed on the initial requisition delivered to the Fiscal Agent on the Closing Date. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of ninety (90) days from the Closing Date and shall then transfer and deposit any moneys remaining therein, including any Investment Earnings thereon, to the Special Tax Fund, and the Fiscal Agent shall close the Costs of Issuance Fund.

(C) Investment. Moneys in the Costs of Issuance Fund shall be invested and deposited in accordance with the Agreement. Investment Earnings shall be retained by the Fiscal Agent in the Cost of Issuance Fund to be used for the purposes of such fund.

SPECIAL TAX REVENUES; BOND FUND; RESERVE FUND

Pledge of Special Tax Revenues

The Bonds shall be secured by a first and prior pledge of and lien upon (which shall be perfected in the manner and to the extent provided in the Agreement) all of the Special Tax Revenues (except the amount of $40,000 which will be deposited in the Administrative Expense Fund for each Fiscal Year pursuant to the Agreement), and all moneys deposited in the Principal Account and the Interest Account of the Bond Fund and all moneys deposited in the Special Tax Fund and the Reserve Fund. The Bonds shall be equally secured by a pledge of and lien upon the Special Tax Revenues and such moneys without priority for number, date of Bond, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premium upon the redemption of any thereof shall be and is secured by a first and prior pledge of and lien

upon the Special Tax Revenues and such moneys. The Special Tax Revenues and all moneys deposited into such funds and accounts are dedicated in their entirety to the payment of the principal of the Bonds, and interest and any premium on, the Bonds, as provided in the Agreement and in the Act, until all of the Bonds have been paid and retired or until moneys or Defeasance Securities have been set aside irrevocably for that purpose in accordance with the Agreement.

Bond Fund

(A) Deposits. There is established, as a separate account to be held by the Fiscal Agent, the "Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds Bond Fund" to the credit of which deposits shall be made as required by the Agreement and any other provision of the Agreement or the Act. There are established in the Bond Fund, as separate accounts to be held by the Fiscal Agent, the "Interest Account" and the "Principal Account." There is also established in the Bond Fund, as a separate account to be held by the Fiscal Agent, the "Special Tax Prepayments Account" to the credit of which deposits shall be made as required by the Agreement. Moneys in the Bond Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(B) Disbursements.

(1) Bond Fund Disbursements. On or before each Interest Payment Date, the Fiscal Agent shall transfer from the Special Tax Fund (including the Surplus Account therein) and deposit into the following respective accounts in the Bond Fund the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Special Tax Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) Interest Account. On or before each Interest Payment Date, the Fiscal Agent shall deposit in the Interest Account the amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on the Bonds on such date. No deposit need be made into the Interest Account on any Interest Payment Date if the amount on deposit therein is at least equal to the interest becoming due and payable on the Bonds on such date. All moneys in the Interest Account shall be used and withdrawn by the Fiscal Agent solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity). All amounts on deposit in the Interest Account on the first day of any Bond Year, to the extent not required to pay any interest then having become due and payable on the Outstanding Bonds shall be withdrawn therefrom by the Fiscal Agent and transferred, as directed by an Officer's Certificate (upon which direction the Fiscal Agent may conclusively rely), to the Surplus Account; provided that the Services District shall not direct the Fiscal Agent to make any deposit in the Surplus Account if there exists a Reserve Fund Replenishment Obligation.

(b) Principal Account. On or before each Interest Payment Date which occurs on September 1, the Fiscal Agent shall deposit in the Principal Account the amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds becoming due and payable on such Interest Payment Date pursuant to the Agreement, or the redemption price of the Bonds (consisting of the principal amount thereof and any applicable redemption premium) required to be redeemed on such date pursuant to any of the provisions of the Agreement. All moneys in the Principal Account shall be used and withdrawn by the Fiscal Agent solely for the purpose of (i) paying the

principal of the Bonds at the maturity thereof, or (ii) paying the principal of and premium (if any) on any Bonds upon the redemption thereof pursuant to the Agreement. All amounts on deposit in the Principal Account on the first day of any Bond Year, to the extent not required to pay the principal of any Outstanding Bonds then having become due and payable shall be withdrawn therefrom by the Fiscal Agent and transferred as directed by an Officer's Certificate (upon which direction the Fiscal Agent may conclusively rely), to the Surplus Account; provided that the Services District shall not direct the Fiscal Agent to make any deposit in the Surplus Account if there exists a Reserve Fund Replenishment Obligation.

On the first Business Day following each Interest Payment Date, the Fiscal Agent shall transfer any moneys remaining on deposit in the Bond Fund (including the Interest Account and the Principal Account) other than moneys on deposit in the Special Tax Prepayments Account as directed by an Officer's Certificate (upon which direction the Fiscal Agent may conclusively rely), to the Surplus Account; provided that the Services District shall not direct the Fiscal Agent to make any deposit in the Surplus Account if there exists a Reserve Fund Replenishment Obligation.

In the event that moneys on deposit in the Special Tax Fund, including moneys on deposit in the Surplus Account, will be insufficient on any Interest Payment Date for the Fiscal Agent to deposit the required amounts in the Interest Account and the Principal Account, as provided above, the Fiscal Agent shall deposit the available funds first to the Interest Account up to the full amount required to cause the aggregate amount on deposit therein to equal the amount of interest becoming due and payable on the Bonds on the Interest Payment Date, and shall then deposit the remaining available funds in the Special Tax Fund, including funds on deposit in the Surplus Account, to the Principal Account up to the full amount required to cause the aggregate amount on deposit therein to equal the amount, if any, of principal becoming due and payable on the Bonds on the Interest Payment Date. If, after making such deposits to the Interest Account and the Principal Account, and after transferring moneys from the Reserve Fund to such accounts, as provided in the Agreement, the amount on deposit in the Principal Account is insufficient to pay the full amount of the principal of each of the Bonds which is to be redeemed on the Interest Payment Date, the Fiscal Agent shall make a prorated payment of the principal of each of such Bonds as specified in an Officer's Certificate provided to the Fiscal Agent.

On September 2 of each year, beginning on September 2, 2017, the amount, if any, on deposit in the Principal Account, together with the amounts then on deposit in the Special Tax Fund (including the Surplus Account therein), shall not exceed the greater of (i) one year's earnings on such amounts, or (ii) one-twelfth (1/12th) of Annual Debt Service for the then current Bond Year. If on September 2 of any year the amount on deposit in the Principal Account, together with the amounts then on deposit in the Special Tax Fund, exceeds the maximum amount allowable pursuant to the preceding sentence, the excess shall be transferred by the Fiscal Agent, as directed in an Officer's Certificate (upon which the Fiscal Agent may conclusively rely), to the Reserve Fund to the extent that the amount on deposit therein is less than the Reserve Requirement, and any such excess remaining thereafter shall be transferred by the Fiscal Agent to the Administrative Expense Fund. On September 2 of each year, after any such excess amount has been transferred as provided in the Agreement, the amount on deposit in the Principal Account, together with the amount then on deposit in the Special Tax Fund, shall not exceed the greater of (i) one year's earnings thereon, or (ii) one-twelfth (1/12th) of Annual Debt Service for the then current Bond Year.

(2) Special Tax Prepayments Account Deposits and Disbursements. Within ten (10) Business Days after receiving a Special Tax Prepayment, the Services District shall deliver the amount thereof to the Fiscal Agent, together with an Officer's Certificate notifying the Fiscal Agent that the

amount being delivered is a Special Tax Prepayment which is to be deposited in the Special Tax Prepayments Account. Upon receiving a Special Tax Prepayment from the Services District and such an Officer's Certificate, the Fiscal Agent shall deposit the amount of the Special Tax Prepayment in the Special Tax Prepayments Account. Such an Officer's Certificate may be combined with the Officer's Certificate which the Services District is required to deliver to the Fiscal Agent pursuant to the Agreement. A portion of the moneys on deposit in the Special Tax Prepayments Account shall be transferred by the Fiscal Agent, upon receipt of an Officer's Certificate directing such transfer and specifying the amount to be transferred (upon which the Fiscal Agent may conclusively rely), to the Principal Account on the next date for which notice of the redemption of the Bonds can timely be given under the Agreement and shall be used to redeem the Bonds on the redemption date selected in accordance with the Agreement. The portion of the moneys on deposit in the Special Tax Prepayments Account representing funded interest on a portion of the Outstanding Bonds shall be transferred by the Fiscal Agent, upon receipt of an Officer's Certificate directing such transfer and specifying the amount to be transferred (upon which the Fiscal Agent may conclusively rely), to the Interest Account on or before each Interest Payment Date prior to and including the Interest Payment Date on which the redemption of such Bonds will occur. Pending such transfers, the moneys on deposit in the Special Tax Prepayments Account shall be invested in Permitted Investments of the type and at such yield as Bond Counsel may determine is necessary to preserve the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Investment Earnings from such Permitted Investments shall be retained by the Fiscal Agent in the Special Tax Prepayments Account.

Amounts in the Bond Fund, including all accounts therein, shall also be withdrawn and deposited in the Rebate Fund as provided in the Agreement.

(C) Investment. Moneys in the Bond Fund, including all accounts and sub-accounts therein, shall be invested and deposited in accordance with the Agreement. Investment Earnings shall be retained in the Bond Fund, except to the extent they are required to be deposited by the Fiscal Agent in the Rebate Fund as provided in the Agreement. Investment earnings with respect to moneys in the Special Tax Prepayments Account shall be retained therein as specified in the Agreement.

Reserve Fund

(A) Establishment of Fund. There is established, as a separate account to be held by the Fiscal Agent, the "Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds Reserve Fund" to the credit of which a deposit shall be made as required by the Agreement, which deposit is equal to the Reserve Requirement, and to which deposits shall be made as provided in the Agreement. Moneys in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of the principal of and interest and any premium on the Bonds and shall be subject to a lien in favor of the Owners of the Bonds.

(B) Use of Fund. Except as otherwise provided in the Agreement, all amounts on deposit in the Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Interest Account and the Principal Account of the Bond Fund in the event of any deficiency at any time in either of such accounts of the amount then required for payment of the principal of and interest and any premium on the Bonds or, in accordance with the provisions of the Agreement, for the purpose of redeeming Bonds.

(C) Transfer Due to Deficiency in Interest and Principal Accounts. Whenever transfer is made from the Reserve Fund to the Interest Account or the Principal Account due to a deficiency in either such account, the Fiscal Agent shall provide written notice thereof to the Services District.

(D) Transfer of Excess of Reserve Requirement. Whenever, on any September 2, the total of the amount in the Reserve Fund, less Investment Earnings resulting from the investment of the funds therein

which pursuant to the Agreement must be rebated to the United States, exceeds the then applicable Reserve Requirement, the Fiscal Agent shall provide written notice to the Services District of the amount of the excess. Upon receiving direction by an Officer's Certificate (upon which the Fiscal Agent may conclusively rely), the Fiscal Agent shall, subject to the requirements of the Agreement, transfer an amount from the Reserve Fund which will reduce the amount on deposit therein to an amount equal to the Reserve Requirement to the Interest Account and the Principal Account to be used for the payment of the interest on and principal of the Bonds on the next succeeding Interest Payment Date in accordance with the Agreement. After each such transfer, the Services District shall allocate, as determined by the Special Tax Consultant, as a credit upon the amount of the Special Taxes which will be levied on parcels of taxable property in the succeeding Fiscal Year to pay Annual Debt Service; provided that there shall be deducted from the allocation an amount equal to the balance of the Reserve Fund Replenishment Obligation, if any.

(E) Transfer When Balance Exceeds Outstanding Bonds. 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 Fiscal Agent shall, upon receiving direction by an Officer's Certificate (upon which the Fiscal Agent may conclusively rely), transfer the amount in the Reserve Fund to the Interest Account and the Principal Account to be applied, on the next succeeding Interest Payment Date, to the payment and redemption, in accordance with the Agreement, as applicable, of all of the Outstanding Bonds. In the event that the amount available to be so transferred from the Reserve Fund to the Interest Account and the Principal Account exceeds the amount required to pay and redeem the Outstanding Bonds, the excess shall be transferred to the Services District to be used for any lawful purpose of the Services District.

(F) Transfers on Payment of Special Tax Obligations. Whenever the Services District receives a Special Tax Prepayment for a lot or parcel of property within the District, the Services District shall by an Officer's Certificate notify the Fiscal Agent thereof and of the amount by which the Reserve Fund is to be reduced and which is transferable from the Reserve Fund to the Principal Account of the Bond Fund, which amount shall be specified in the Officer's Certificate. Each such Officer's Certificate shall be accompanied by a report of an Independent Financial Consultant verifying the accuracy of the calculation of the amount to be transferred from the Reserve Fund to the Principal Account ("Verification"). Upon receipt of each such Officer's Certificate and Verification, upon which the Fiscal Agent may conclusively rely, the Fiscal Agent shall at such time as the amount of such Special Tax Prepayment will be used to redeem Bonds, as provided in the Agreement, transfer the amount specified in such Officer's Certificate to the Principal Account and use such amount, together with the amount of such Special Tax Prepayment, to redeem Bonds, as provided in the Agreement. Notwithstanding the preceding provisions of the Agreement, no amount shall be transferred from the Reserve Fund to the Principal Account if the amount on deposit in the Reserve Fund is, or as a result of such transfer would be, less than the Reserve Requirement.

(G) Investment. Moneys in the Reserve Fund shall be invested and deposited in accordance with the Agreement. Moneys on deposit in the Reserve Fund shall be invested in Permitted Investments which do not have maturities extending beyond five (5) years; provided, however, if the Reserve Fund is invested in an investment agreement (as defined in clause (xi) of the definition of Permitted Investments in the Agreement) or a repurchase agreement (as defined in clause (x) of such definition) such agreement may have a maturity longer than five (5) years if the Fiscal Agent is authorized by the provisions of such agreement to draw the full amount thereof, without penalty, if required for the purposes of the Reserve Fund. The Services District shall cause the Permitted Investments, other than such an investment or repurchase agreement, in which moneys on deposit in the Reserve Fund are invested to be valued at fair market value and marked-to-market at least once in each Fiscal Year. Subject to provisions of the Agreement, Investment Earnings shall be retained in the Reserve Fund and shall be used for the purposes of such fund, except to the extent they are required to be deposited by the Fiscal Agent in the Rebate Fund as provided in the Agreement.

OTHER COVENANTS OF THE SERVICES DISTRICT

Punctual Payment

The Services District will punctually pay or cause to be paid the principal of and interest and any premium on the Bonds when and as due in strict conformity with the terms of the Agreement and any Supplemental Agreement to the extent that the Special Tax Revenues are available therefor, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Agreement and all Supplemental Agreements and of the Bonds.

Special Obligation

The Bonds are special obligations of the Services District and the District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Bond Fund, the Reserve Fund and the Special Tax Fund.

Extension of Time for Payment

In order to prevent any accumulation of claims for interest after maturity, the Services District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Services District, such claim for interest so extended or funded shall not be entitled, in case of default under the Agreement, to the benefits of the Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Against Encumbrances

The Services District shall not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien created in the Agreement for the benefit of the Bonds, except as permitted by the Agreement.

Books and Accounts

The Services District shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Services District in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Administrative Expense Fund. Such books of record and accounts shall at all times during business hours, upon reasonable notice, be subject to the inspection of the Fiscal Agent (which shall have no duty to inspect) and the Owners of not less than ten percent (10%) of the aggregate principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Protection of Security and Rights of Owners

The Services District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the Services District, the Bonds shall be incontestable by the Services District.

Collection of Special Tax Revenues

The Services District shall comply with all requirements of the Act, including the enactment of necessary ordinances, resolutions or as otherwise prescribed by the law, so as to assure the timely collection of

Special Tax Revenues, including without limitation, the enforcement of the payment or collection of delinquent Special Taxes.

On or within five (5) Business Days of May 1 of each year, the Fiscal Agent shall provide the Services District with a notice stating the amount then on deposit in the Special Tax Fund, the Bond Fund and the Reserve Fund, and informing the Services District that the Special Taxes are to be levied by Ordinance as necessary to provide for Annual Debt Service and Administrative Expenses and replenishment (if necessary) of the Reserve Fund so that the balance therein equals the Reserve Requirement. The receipt of such notice by the Services District or the failure of the Fiscal Agent to give such notice shall in no way affect the obligations of the Services District under the Agreement. The Fiscal Agent shall have no liability if it does not provide such notice to the Services District. Upon receipt of such notice, the Services District shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current Fiscal Year.

The Services District shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Act by August 1 of each year (or such later date as may be authorized by the Act or any amendment thereof) that the Bonds are Outstanding, 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 tax roll for the Fiscal Year then beginning. Upon the completion of the computation of the amounts of the levy of the Special Taxes, the Services 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 tax roll. Notwithstanding the provisions of the Agreement, the Board of Directors may elect, as permitted by the Act, to collect the Special Taxes to be levied for any Fiscal Year directly from the owners of the parcels of taxable property upon which the Special Taxes are levied rather than by transmitting the Special Taxes to the Auditor for collection on the tax roll; provided that, in such event, the Services District shall otherwise comply with the provisions of the Agreement.

The Services District shall fix and levy the amount of Special Taxes within the District required for the payment of the principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing calendar year, including any necessary replenishment or expenditure of the Reserve Fund, and the amount estimated to be sufficient to pay the Administrative Expenses during such calendar year. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings for the formation of the District.

The Special Taxes shall be payable and be collected (except in the event of judicial foreclosure proceedings pursuant to the Agreement) in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property.

The Services District will not, in collecting the Special Taxes or in processing any such judicial foreclosure proceedings, exercise any authority which it has pursuant to Sections 53340, 53344.1, 53356.1 and 53356.8 of the California Government Code, including but not limited to the waiver of penalties and interest on delinquent special taxes and tendering of bonds, in any manner which would materially and adversely affect the interests of the Bondowners and, in particular, will not permit the tender of Bonds in full or partial payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the Services District having insufficient Special Tax Revenues to pay the principal of and interest on the Bonds remaining Outstanding following such tender.

Reduction of Maximum Special Tax Rates

The Services District covenants that, to the extent that it is legally permitted to avoid doing so, it will not initiate and conduct proceedings to reduce the maximum rates of Special Taxes which are authorized to be

levied on taxable parcels of property within the District (the "Maximum Rates"). The Services District further covenants that in the event an ordinance is adopted by initiative pursuant to Section 3 of Article XIII C of the California Constitution, which purports to reduce or otherwise alter the Maximum Rates, it will commence and pursue legal action seeking to preserve its ability to comply with its covenant contained in the Agreement.

Further Assurances

The Services District will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Agreement, and for better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in the Agreement.

Tax Covenants

The Services District covenants that:

(A) It will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of the initial issuance and delivery of the Bonds, would have caused any of the Bonds to be "arbitrage bonds" within the meaning of Section 103(b) and Section 148 of the Code;

(B) It will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Bonds, would result in loss of exclusion from gross income for purposes of federal income taxation under Section 103(a) of the Code of interest paid with respect to the Bonds;

(C) It will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Bonds, would have caused any of the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code;

(D) It will comply with the Tax and Arbitrage Certificate as a source of guidance for achieving compliance with the Code; and

(E) In order to maintain the exclusion from gross income for purposes of federal income taxation of interest paid with respect to the Bonds, it will comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code.

The covenants of the Services District contained in the Agreement shall survive the payment, redemption or defeasance of Bonds pursuant to the Agreement.

Covenant to Foreclose

The Services District covenants with and for the benefit of the Owners of the Bonds (i) that it will order, and cause to be commenced, judicial foreclosure proceedings against properties with delinquent Special Taxes in excess of $5,000 by the October 1 following the close of the Fiscal Year in which such Special Taxes were due, and (ii) that it will commence judicial foreclosure proceedings against all properties 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 ninety-five percent (95%) of the total Special Taxes levied, and diligently pursue to completion such foreclosure proceedings; provided, however, the Services District shall not be required to order and cause judicial foreclosure proceedings to be commenced against delinquent properties as long as no deficiency in the Reserve Fund exists (or is projected to exist in order to make debt service payments on the Bonds in the current or next Fiscal Year) or the Services District determines that the cost of pursuing such foreclosure is greater than the outstanding delinquency.

Prepayment of Special Taxes

The Services District shall cause all applications of owners of property to prepay and satisfy the Special Tax obligation for their property to be reviewed by the Special Tax Consultant, and shall not accept any such prepayment unless such consultant certifies in writing that following the acceptance of the proposed prepayment by the Services District, the total amount of the Maximum Special Tax for Debt Service and Facilities that may be levied on all parcels of Taxable Property in the District, both prior to and after the proposed prepayment, will be equal to at least 1.1 times an amount equal to Maximum Annual Debt Service on the Bonds plus Administrative Expenses in the amount of $40,000. For purposes of such certification, the terms "Maximum Special Tax for Debt Service and Facilities" and "Taxable Property" shall have the meanings given to them in the Rate and Method of Apportionment of Special Tax for the District.

Calculation of Prepayments

The Services District will cause all Special Tax Prepayments to be calculated to include the amount of the premium on the Outstanding Bonds that will be redeemed with the Special Tax Prepayment and negative arbitrage on the investment of the Special Tax Prepayment from the date of receipt until the Interest Payment Date upon which the Special Tax Prepayment and the amount to be transferred from the Reserve Fund to the Principal Account pursuant to the Agreement will be used to redeem Outstanding Bonds pursuant to the Agreement. The Services District will not include in any calculation of the amount of any Special Tax Prepayment for any parcel of taxable property a proportionate amount of the amount then on deposit in the Reserve Fund, if at the time of such calculation the amount on deposit in the Reserve Fund is less than the Reserve Requirement.

Continuing Disclosure

The Services District covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement.

INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE SERVICES DISTRICT

Deposit and Investment of Moneys in Funds

Subject in all respects to the provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in the definition of Permitted Investments in the Agreement. The Fiscal Agent shall not have any responsibility for determining the legality of any Permitted Investments. The Fiscal Agent shall have no obligation to pay additional interest or maximize investment income on any funds held by it. Neither the Services District nor the Owners of the Bonds shall have any claim of any kind against the Fiscal Agent in connection with investments properly made pursuant to the Agreement. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account, subject, however, to the requirements of the Agreement for transfer of Investment Earnings in funds and accounts.

The Fiscal Agent and its affiliates may act as sponsor, advisor, depository, principal or agent in the holding, acquisition or disposition of any investment. The Fiscal Agent shall not incur any liability for losses arising from any investments made pursuant to the Agreement. For purposes of determining the amount on deposit in any fund or account held under the Agreement, all Permitted Investments credited to such fund or account shall be valued at the cost thereof (excluding accrued interest and brokerage commissions, if any).

Subject in all respects to the provisions of the Agreement, investments in any and all funds and accounts may be commingled in a single fund for purposes of making, holding and disposing of investments, notwithstanding provisions in the Agreement for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent under the Agreement, provided that the Fiscal Agent shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Agreement.

The Fiscal Agent shall sell at the highest price reasonably obtainable (provided that the highest of any three bids received by the Fiscal Agent shall be deemed the highest price reasonably obtainable), or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited, and the Fiscal Agent shall not be liable or responsible for any loss resulting from the acquisition or disposition of any such investment security in accordance with the Agreement.

The Services District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Services District the right to receive brokerage confirmations of security transactions as they occur, the Services District specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent shall furnish the Services District period cash transaction statements which include detail for all investment transactions made by the Fiscal Agent under the Agreement.

The Fiscal Agent may make any investments under the Agreement through its own bond or investment department or trust investment department, or those of its parent or any affiliate.

Rebate Fund; Rebate to the United States

There is created, to be held by the Fiscal Agent, as a separate fund distinct from all other funds and accounts held by the Fiscal Agent under the Agreement, the Rebate Fund. The Fiscal Agent shall, in accordance with direction by an Officer's Certificate (upon which the Fiscal Agent may conclusively rely), deposit into the Rebate Fund moneys transferred by the Services District to the Fiscal Agent pursuant to the Rebate Certificate or moneys transferred by the Fiscal Agent from the Reserve Fund. The Rebate Fund shall be held either un-invested or invested only in Defeasance Securities as specified in an Officer's Certificate (upon which the Fiscal Agent may conclusively rely) of the Services District. Moneys on deposit in the Rebate Fund shall be applied only to payments made to the United States, to the extent such payments are required by the Rebate Certificate. The Fiscal Agent shall, upon written request and direction of the Services District, make such payments to the United States.

The Fiscal Agent's sole responsibilities under the Agreement are to follow the written instructions of the Services District. The Services District shall be responsible for any fees and expenses incurred by the Fiscal Agent pursuant to the Agreement.

The Fiscal Agent shall, upon written request and direction from the Services District, transfer to or upon the order of the Services District any moneys on deposit in the Rebate Fund in excess of the amount, if any, required to be maintained or held therein in accordance with the Rebate Certificate.

Liability of Services District

The Services District shall not incur any responsibility in respect of the Bonds or the Agreement other than in connection with the duties or obligations explicitly in the Agreement or in the Bonds assigned to or imposed upon it. The Services District shall not be liable in connection with the performance of its duties under the Agreement, except for its own negligence or willful default. The Services District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Fiscal Agent or of any of the documents executed by the Fiscal Agent in connection with the Bonds.

In the absence of bad faith, the Services District may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Services District and conforming to the requirements of the Agreement. The Services District shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of the Agreement shall require the Services District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Special Tax Revenues) in the performance of any of its obligations under the Agreement, or in the exercise of and of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Services District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Services District may consult with counsel, who may be counsel to the Services 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 Agreement in good faith and in accordance therewith.

Whenever in the administration of its duties under the Agreement the Services District shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Agreement, such matter (unless other evidence in respect thereof be specifically prescribed in the Agreement) may, in the absence of willful misconduct on the part of the Services District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, and such certificate shall be full warranty to the Services District for any action taken or suffered under the provisions of the Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Services District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Employment of Agents by Services District

In order to perform its duties and obligations under the Agreement, the Services District may employ such persons or entities as it deems necessary or advisable. The Services District shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith under the Agreement, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

THE FISCAL AGENT

Appointment of Fiscal Agent

U.S. Bank National Association, is appointed Fiscal Agent by the Agreement, registrar and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in the Agreement, and no implied covenants or obligations shall be read into the Agreement against the Fiscal Agent.

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

The Services District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of the Agreement, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the Services District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the Services District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of the Agreement within forty-five (45) days after the Fiscal Agent shall have given to the Services District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent, at the expense of the Services District, or any Owner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

Liability of Fiscal Agent

The recitals of facts, covenants and agreements in the Agreement and in the Bonds contained shall be taken as statements, covenants and agreements of the Services District and the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of the Agreement or of the Bonds, nor shall the Fiscal Agent incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Agreement or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties under the Agreement, except for its own negligence or willful misconduct. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of the Agreement. Except as provided in the Agreement , the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by the Fiscal Agent unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of the Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Agreement, or in the exercise of any of its rights or powers.

The Fiscal Agent shall not be responsible for accounting for, or paying to, any party to the Agreement, including, but not limited to the Services District and the Owners, any returns on or benefit from funds held for payment of unredeemed Bonds or outstanding checks and no calculation of the same shall affect, or result in any offset against, fees due to the Fiscal Agent under the Agreement.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by the Agreement at the request or direction of any of the Owners pursuant to the Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

All indemnification and releases from liability granted in the Agreement to the Fiscal Agent shall extend to the directors, officers and employees of the Fiscal Agent.

Information

The Fiscal Agent shall provide to the Services District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent under the Agreement as the Services District shall reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Fiscal Agent.

Notice to Fiscal Agent

The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the Services District, with regard to legal questions, and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Fiscal Agent under the Agreement in good faith and in accordance therewith.

Whenever in the administration of its duties under the Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Agreement, such matter (unless other evidence in respect thereof be prescribed under the Agreement) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the Services District, and such certificate shall be full warranty to the Fiscal Agent for any action taken or suffered under the provisions of the Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Compensation, Indemnification

The Services District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under the Agreement, and also all reasonable expenses, charges, fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under the Agreement, and the Fiscal Agent shall have a first priority lien therefor on any funds at any time held by it under the Agreement, and the Fiscal Agent shall pay and reimburse all expenses, charges, fees and other disbursements, including those of its attorneys, agents and employees, incurred in connection therewith from the funds held by it under the Agreement. The Services District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents, harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the Agreement which are not due to its negligence or willful

misconduct. The obligation of the Services District under the Agreement shall survive resignation or removal of the Fiscal Agent under the Agreement and payment of the Bonds and discharge of the Agreement.

Books and Accounts

The Fiscal Agent shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions made by it and with respect to the expenditure of amounts disbursed from the Bond Fund, the Special Tax Fund, the Administrative Expense Fund, the Reserve Fund and the Cost of Issuance Fund. Such books of record and accounts shall, upon reasonable notice, at all times during business hours be subject to the inspection of the Services District and the Owners of not less than ten percent (10%) of the aggregate principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

MODIFICATION OR AMENDMENT OF THE AGREEMENT

Amendments Permitted

(A) The Agreement and the rights and obligations of the District and the Services District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement with either (a) the affirmative vote of the Owners at a meeting of the Owners, or (b) the written consent, without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Agreement. No such modification or amendment shall (i) extend the maturity of any Bond or the time for paying interest thereon, or otherwise alter or impair the obligation of the Services District on behalf of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation of any pledge of or lien upon the Special Tax Revenues, or the moneys on deposit in the Special Tax Fund, the Bond Fund or the Reserve Fund, superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or the Agreement), (iii) reduce the percentage of Bonds required for the amendment of the Agreement, or (iv) reduce the principal amount of or redemption premium on any Bond or reduce the interest rate thereon. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent. The Services District shall deliver to the Fiscal Agent an opinion of counsel that any such Supplemental Agreement entered into by the Services District and the Fiscal Agent complies with the provisions of the Agreement and the Fiscal Agent may conclusively rely on such opinion.

(B) The Agreement and the rights and obligations of the District and the Services District and the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Services District in the Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power reserved in the Agreement to or conferred upon the Services District;

(2) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(3) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions of the Agreement, or in regard to questions arising under the Agreement, as the Services District and the Fiscal Agent may deem necessary or desirable and not inconsistent with the Agreement, and which shall not adversely affect the rights of the Owners;

(4) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of moneys to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations; or

(5) to provide for the issuance of Parity Bonds to pay and discharge the indebtedness of a portion of the Outstanding Bonds (a "Partial Discharge") pursuant to the Agreement; provided that following the issuance of such Parity Bonds Maximum Annual Debt Service on the Bonds that will remain Outstanding following such Partial Discharge and such Parity Bonds will be less in each subsequent Bond Year than Maximum Annual Debt Service on the Outstanding Bonds before the issuance of such Parity Bonds.

Owners' Meetings

The Services District may at any time call a meeting of the Owners. In such event, the Services District is authorized to fix the time and place of any such meeting and to provide for the giving of notice thereof and to fix and adopt rules and regulations for the conduct of the meeting.

Procedure for Amendment with Written Consent of Owners

The Services District and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of the Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by the Agreement, to take effect when and as provided in the Agreement. A copy of the Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, postage prepaid, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of the Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in the Agreement.

Such a Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in the Agreement) and a notice shall have been mailed as provided in the Agreement. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by the Agreement. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice provided for in the Agreement has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the Services District shall mail a notice to the Owners in the manner provided in the Agreement for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in the Agreement (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by the Agreement to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise specifically provided in the Agreement) upon the Services District, the District and the Owners of all Bonds then Outstanding at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60)-day period.

Disqualified Bonds

Bonds owned or held for the account of the Services District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in the Agreement, and shall not be entitled to vote upon, consent to, or participate in any action provided for in the Agreement.

Effect of Supplemental Agreement

From and after the time any Supplemental Agreement becomes effective pursuant to the Agreement, the Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Agreement of the Services District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced under the Agreement subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of the Agreement for any and all purposes.

Endorsement or Replacement of Bonds Issued After Amendments

The Services District may determine that Bonds issued and delivered after the effective date of any action taken as provided in the Agreement shall bear a notation, by endorsement or otherwise, in form approved by the Services District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and upon presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the Services District may select and designate for that purpose, a suitable notation shall be made on such Bond. The Services District may determine that new Bonds, so modified as in the opinion of the Services District is necessary to conform to such action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for like Bonds then Outstanding, upon surrender of such Bonds.

Amendatory Endorsement of Bonds

The provisions of the Agreement shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

MISCELLANEOUS

Discharge of Agreement

If the Services District shall pay and discharge the entire indebtedness on all or a portion (a "Partial Discharge") of the Outstanding Bonds in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of and interest and any premium on such Bonds, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, at or before maturity, an amount of money which, together with the amounts then on deposit in the Bond Fund, the Special Tax Fund and the Reserve Fund, or in the event of a Partial Discharge, the appropriate portion of such amounts, as determined by the Services District and confirmed by an Independent Financial Consultant, is fully sufficient to pay all such Bonds, including all principal, interest and redemption premiums, if any; or

(C) by irrevocably depositing with the Fiscal Agent cash or non-callable Defeasance Securities in such amount as the Services District shall determine, as confirmed by an Independent Financial Consultant, will, together with the interest to accrue thereon and amounts then on deposit in

the Bond Fund, the Special Tax Fund and the Reserve Fund, or in the event of a Partial Discharge, the appropriate portion of such amounts, as determined by the Services District and confirmed by an Independent Financial Consultant, be fully sufficient to pay and discharge the indebtedness on all such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in the Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice; then, at the election of the Services District, and notwithstanding that any such Bonds shall not have been surrendered for payment, the pledge of the Special Tax Revenues and other funds provided for in the Agreement and all other obligations of the Services District and the District under the Agreement with respect to such Bonds shall cease and terminate, except the obligation of the Services District to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon, the obligation of the Services District to pay all amounts owing to the Fiscal Agent pursuant to the Agreement, and the obligations of the Services District pursuant to the covenants contained in the Agreement; and thereafter Special Tax Revenues shall not be payable to the Fiscal Agent with respect to such Bonds. Notice of such election shall be filed with the Fiscal Agent. The satisfaction and discharge of the Agreement as to all of the Outstanding Bonds shall be without prejudice to the rights of the Fiscal Agent to charge and be reimbursed by the Services District for the expenses which it shall thereafter incur in connection with the Agreement.

Any funds held by the Fiscal Agent to pay and discharge the indebtedness on such Bonds, upon payment of all fees and expenses of the Fiscal Agent, which are not required for such purpose, shall be paid over to the Services District.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of March 1, 2017, is executed and delivered by Jurupa Community Services District (the "Issuer") for and on behalf of Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District (the "District") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

SECTION 1. Definitions.

Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with EMMA.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Semi-Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Semi-Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to EMMA under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Representative" means the General Manager, the senior member of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 10 hereof.

"EMMA" shall mean the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at *www.emma.msrb.org*, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission in the future.

"Failure to File Event" means the Issuer's failure to file the Annual Report or Semi-Annual Report on or before the Annual Filing Date or Semi-Annual Report Filing Date, respectively.

"Fiscal Agent" means the institution identified as such in the document under which the Bonds were issued.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

"Notice Event" means an event listed in Sections 5(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

"Semi-Annual Report" means the semi-annual report to be provided by the Disclosure Representative to the Disclosure Dissemination Agent by February 10 or by July 10 of each year as provided in Section 4.

"Semi-Annual Report Filing Date" means February 15 or July 15, or if either of such dates is not a business day, the next following business day.

"Voluntary Report" means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 8.

SECTION 2. <u>Provision of Annual Reports</u>.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Fiscal Agent, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to EMMA not later than April 1 following the end of each Fiscal Year of the Issuer (unless the Issuer's Fiscal Year end is no longer June 30, then 270 days after the end of each Fiscal Year), or the next business day if such day is not a business day, commencing with the Fiscal Year ending June 30, 2017. Such date and each anniversary thereof is the Annual Filing Date. 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 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date,

or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 5(a)(12) has occurred and to immediately send a notice to EMMA.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to EMMA.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, together with a copy for the Fiscal Agent, for filing with EMMA.

(e) The Disclosure Dissemination Agent shall:

(i) upon receipt, promptly file each Annual Report received under Section 2(a) with EMMA;

(ii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with EMMA;

(iii) The Issuer shall notify the Dissemination Agent not more than eight (8) Business Days after the following events, and the Dissemination Agent shall file a notice with EMMA not more than ten (10) Business Days after the following events:

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. adverse tax opinions or 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 Bonds;

6. defeasances;

7. tender offers;

8. bankruptcy, insolvency, receivership or similar proceedings; and

9. ratings changes.

(iv) Additionally, the Issuer shall provide the Dissemination Agent, and the Dissemination Agent shall promptly file with EMMA, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;

2. appointment of a successor or additional fiscal agent or the change of the name of a fiscal agent;

3. non payment related defaults;

4. modifications to the rights of Bondholders;

5. notices of prepayment; and

6. release, substitution or sale of property securing repayment of the Bonds.

(v) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Fiscal Agent (if any) and EMMA, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

SECTION 3. <u>Content and Form of Annual Reports</u>.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the following:

(i) the principal amount of the Bonds outstanding as of September 30 of each year;

(ii) the balance in each fund under the Fiscal Agent Agreement as of the September 30 preceding the filing of the Annual Report, including the Reserve Fund thereunder and a statement of the Reserve Requirement;

(iii) a summary of the Special Taxes levied within the District, the assessed value of such land, as shown on the assessment roll of the Riverside County Assessor last equalized prior to the September 30 next preceding the Annual Report Date, and a calculation of the assessed value-to-lien ratio within the District based on such assessed value and the principal amount of the Bonds outstanding described in (i) above, in substantially the form set forth in Table 4 of the Official Statement (using assessed value and not appraised value);

(iv) any changes to the Rates and Method of Apportionment of Special Tax approved or submitted to the electors for approval prior to the filing of the Annual Report;

(v) the status of any foreclosure actions being pursued by the Issuer with respect to delinquent Special Taxes;

(vi) information regarding the percentage of delinquency, if any, in the collection of Special Taxes levied on property in the District for the Fiscal Year preceding the Annual Filing Date in substantially the form set forth in Table 6 of the Official Statement; and

(vii) any information not already included under (i) through (vi) above that the Issuer is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended.

In addition to any of the information expressly required to be provided under paragraph (a) of this Section, the Issuer shall provide such further information, if any, as may be necessary to make the specifically required statements set forth in clauses (i) to (vi), in the light of the circumstances under which they were made, not misleading.

(b) Audited Financial Statements prepared in accordance with GAAP or alternate accounting principles as described in the Official Statement will be included in the Annual Report. Unaudited financial statements, prepared in accordance with generally accepted accounting principles ("GAAP") or alternate accounting principles as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with each of EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

SECTION 4. <u>Provision of Semi-Annual Reports</u>.

(a) On or before February 10 or July 10 of each year, commencing on July 10, 2017, the Disclosure Representative shall provide to the Disclosure Dissemination Agent an electronic copy of a Semi-Annual Report containing the following information:

(1) The Semi-Annual Report to be provided to the Disclosure Dissemination Agent on or before February 10 of each year shall contain the following information: (i) the total amount of the Special Taxes levied in the District in the current Fiscal Year to pay debt service on the Outstanding Bonds; (ii) the total amount of such Special Taxes that was collected for the first installment of the current fiscal year; and (iii) the total amount of interest due on the Outstanding Bonds on the succeeding March 1 Interest Payment Date.

(2) The Semi-Annual Report to be provided to the Disclosure Dissemination Agent on or before July 10 of each year shall contain the following information: (i) the total amount of the Special Taxes levied in the District in the preceding Fiscal Year to pay debt service on the Outstanding Bonds; (ii) the total amount of such Special Taxes that was collected as of the preceding July 1; and (iii) the total amount of interest on and principal of the Bonds due on the succeeding September 1 Interest Payment Date.

Upon receiving a Semi-Annual Report from the Disclosure Representative, the Disclosure Dissemination Agent shall provide a copy of the Semi-Annual Report to EMMA on or before Semi-Annual Report Filing Date.

(b) If by any February 10 or July 10, the Disclosure Dissemination Agent has not received a copy of the Semi-Annual Report, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Semi-Annual Report pursuant to Section 4(a). Upon receiving such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Semi-Annual Report no later than two (2) business days prior to the following Semi-Annual Report Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Semi-Annual Report within the time required under this Disclosure Agreement, state the date by which the Semi-Annual Report

will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 5(a)(12) has occurred and to immediately send a notice to EMMA.

(c) If the Disclosure Dissemination Agent has not received a Semi-Annual Report and Certification by 6:00 p.m. Eastern time on Semi-Annual Filing Date (or, if such Semi-Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Semi-Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to EMMA.

(d) Notwithstanding the preceding provisions of this section, the Disclosure Representative shall not be required to provide a Semi-Annual Report to the Disclosure Dissemination Agent for any Fiscal Year if (i) the total amount of the Special Taxes collected for such Fiscal Year to pay debt service on the Outstanding Bonds is more than 95% of the total amount of Special Taxes that were levied in such Fiscal Year to pay debt service on the Outstanding Bonds and, (ii) the total amount of the Special Taxes collected for the prior Fiscal Year to pay debt service on the Outstanding Bonds was also more than 95% of the total amount of the Special Taxes that were levied in such prior Fiscal Year to pay debt service on the Outstanding Bonds. If the Disclosure Representative determines that the conditions specified in preceding clauses (i) and (ii) have been satisfied, the Disclosure Representative shall provide to the Disclosure Dissemination Agent an electronic copy of a report stating that such conditions have been satisfied and that no further Semi-Annual Reports will be provided to the Disclosure Dissemination Agent for filing with EMMA unless the total amount of the Special Taxes collected for a subsequent Fiscal Year to pay debt service on the Outstanding Bonds is less than 95% of the total amount of the Special Taxes that were levied in such Fiscal Year to pay debt service on the Outstanding Bonds Upon receiving such a report from the Disclosure Representative, the Disclosure Dissemination Agent shall provide a copy of the report to EMMA.

SECTION 5. <u>Reporting of Notice Events</u>.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice to the Dissemination Agent of the occurrence of any of the following events with respect to the Bonds, not more than eight (8) Business Days after the following events, and the Dissemination Agent shall provide notice to EMMA not more than ten (10) Business Days after the following events:

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. adverse tax opinions or 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 Bonds;

6. defeasances;

7. tender offers;

8. bankruptcy, insolvency, receivership or similar proceedings; and

9. ratings changes.

(b) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice to the Dissemination Agent, of the occurrence of any of the following events with respect to the Bonds, if material:

1. mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;

2. appointment of a successor or additional fiscal agent or the change of the name of a fiscal agent;

3. non payment related defaults;

4. modifications to the rights of Bondholders;

5. notices of prepayment; and

6. release, substitution or sale of property securing repayment of the Bonds.

The occurrence of any the events described in Section 5(a) and (b) above constitutes a Notice Event. The Issuer notify the Disclosure Dissemination Agent promptly, and in no event later than eight (8) Business Days, in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (d). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information to EMMA, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information to EMMA.

(c) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (d), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information to EMMA, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information to EMMA.

(d) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a), (b) or (c)(ii) of this Section 5 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with EMMA, and, with respect to Notice Events set forth in subsection (a), such Notice Events shall be filed with EMMA no later than ten (10) Business Days from the date of such event.

SECTION 6. <u>CUSIP Numbers</u>.

Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 8(a), the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 7. <u>Additional Disclosure Obligations</u>.

The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may

apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 8. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with EMMA, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 9. Termination of Reporting Obligation.

The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 10. Disclosure Dissemination Agent.

The Issuer has appointed DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Fiscal Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 11. Remedies in Event of Default.

In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 12. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

THE ISSUER AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, with prior written notice to the Issuer, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 13. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel qualified in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations

of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 14. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Fiscal Agent of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law.

This Disclosure Agreement shall be governed by the laws of the State of California.

SECTION 16. 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.

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By:_____
Name:_____
Title:_____

JURUPA COMMUNITY SERVICES DISTRICT ON
BEHALF OF COMMUNITY FACILITIES DISTRICT NO. 47
OF THE JURUPA COMMUNITY SERVICES DISTRICT,
as Issuer

By:_____
Name:_____
Its:_____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District
Obligated Person(s)	Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District
Name of Bond Issue:	$8,315,000 Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District, Special Tax Bonds, 2017 Series A
Date of Issuance:	March 21, 2017
Date of Official Statement	March 7, 2017

CUSIP Number:	4820974Y5	CUSIP Number:	4820975K4
CUSIP Number:	4820974Z2	CUSIP Number:	4820975L2
CUSIP Number:	4820975A6	CUSIP Number:	4820975M0
CUSIP Number:	4820975B4	CUSIP Number:	4820975N8
CUSIP Number:	4820975C2	CUSIP Number:	4820975P3
CUSIP Number:	4820975D0	CUSIP Number:	4820975Q1
CUSIP Number:	4820975E8	CUSIP Number:	4820975R9
CUSIP Number:	4820975F5	CUSIP Number:	4820975S7
CUSIP Number:	4820975G3	CUSIP Number:	4820975T5
CUSIP Number:	4820975H1	CUSIP Number:	4820975U2
CUSIP Number:	4820975J7	CUSIP Number:	4820975V0

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APPENDIX F

FORM OF OPINION OF BOND COUNSEL

March 21, 2017

Board of Directors
Jurupa Community Services District
11201 Harrel Street
Jurupa Valley, CA 91752

Re: $8,315,000 Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds, 2017 Series A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District, County of Riverside, State of California (the "District"), of $8,315,000 aggregate principal amount of the Community Facilities District No. 47 (Eastvale Area) of Jurupa Community Services District Special Tax Bonds, 2017 Series A (the "Bonds"). The Bonds are issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"), a resolution adopted by the Board of Directors of Jurupa Community Services District (the "Services District") on February 13, 2017 (the "Resolution"), and a Fiscal Agent Agreement, dated as of March 1, 2017 (the "Agreement"), between the Services District and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent").

We have examined the Act, the Resolution, the Agreement and certified copies of the proceedings taken for the issuance and sale of the Bonds. As to questions of fact which are material to our opinions, we have relied upon the representations of the Services District contained in the Agreement, and in certificates of its authorized officers which have been delivered to us for the purpose of supplying such facts, without having undertaken to verify the accuracy of any such representations by independent investigation.

Based upon such examination, we are of the opinion, as of the date hereof, that the proceedings referred to above have been taken in accordance with the laws and the Constitution of the State of California, and that the Bonds, having been issued in duly authorized form and executed by the proper officials and delivered to and paid for by the purchaser thereof, and the Agreement, having been duly authorized and executed by the proper officials, constitute the legally valid and binding obligations of the District enforceable in accordance with their terms subject to the qualifications specified below. Except where funds are otherwise available, as may be permitted by law, the Bonds are payable, as to both principal and interest, solely from certain special taxes to be levied and collected within the District and other funds available therefor held under the Agreement.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain investment, rebate and related requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest on the Bonds to be and remain exempt from federal income taxation. Noncompliance with such requirements could cause the interest on the Bonds to be subject to federal income taxation retroactive to the date of issuance of the Bonds. Pursuant to the Agreement, the Services District has covenanted to comply with the requirements of the Code and applicable regulations promulgated thereunder.

We are of the opinion that, under existing statutes, regulations, rulings and court decisions, and assuming compliance by the Services District with the aforementioned covenants, the interest on the Bonds is excluded from gross income for purposes of federal income taxation and is exempt from personal income taxation imposed by the State of California.

We are further of the opinion that interest on the Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; and is not included in adjusted current earnings when calculating corporate alternative minimum taxable income; however, it should be noted, that, with respect to corporations, such interest may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

Although interest on the Bonds is excluded from gross income for purposes of federal income taxation, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these tax consequences will depend on the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

The opinions expressed herein may be affected by actions which may be taken (or not taken) or events which may occur (or not occur) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or occur or are not taken or do not occur.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Agreement may be subject to bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Respectfully submitted,

APPENDIX G

INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts

such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

THE FISCAL AGENT, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

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COMMUNITY FACILITIES DISTRICT NO. 47 (EASTVALE AREA) OF JURUPA COMMUNITY SERVICES DISTRICT • SPECIAL TAX BONDS, 2017 SERIES A

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