

PURCHASE CONTRACT

\$ _____
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)

_____, 2018

City of Corona
400 South Vicentia Avenue
Corona, California 94882
Attn: Assistant City Manager/
Administrative Services Director

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"), offers to enter into this Purchase Contract (this "**Purchase Contract**") with the City of Corona (the "**City**"), for and on behalf of Improvement Area No. 1 (the "**Improvement Area**") of Community Facilities District No. 2018-1 (Bedford) of the City of Corona (the "**District**"), which, upon your acceptance of this offer, will be binding upon the City and Underwriter. Terms not otherwise defined herein shall have the same meanings as set forth in the Fiscal Agent Agreement described below.

This offer is made subject to the acceptance by the City of this Purchase Contract on or before 5:00 p.m. California time on the date set forth above.

1. Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the above-captioned bonds (the "**Bonds**") at a purchase price (the "**Purchase Price**") of \$ _____ (equal to the par amount of the Bonds (\$ _____ .00) *plus* net original issue premium of \$ _____, *less* an Underwriter's discount of \$ _____).

The Bonds will be issued by the City pursuant to the Mello-Roos Community Facilities Act of 1982 (constituting Section 53311 et seq. of the California Government Code) (the "**Act**") and Resolution No. 2018-___ adopted on July 5, 2018 (the "**Bond Resolution**"), by the City Council of the City of Corona (the "**City Council**"). The Special Taxes to provide a source of payment for the Bonds (the "**Special Taxes**") will be levied pursuant to (i) Resolution No. 2018-___ adopted by the City Council on July 5, 2018, which established the District and the Improvement Area and authorized the levy of a special tax within the Improvement Area (the "**Resolution of Formation**") and (ii) a two-thirds vote of the qualified electors at an election held in the Improvement Area on July 5, 2018.

The City Council also adopted the following pursuant to the Act in connection with formation of the District and Improvement Area and the levy of the Special Taxes (collectively with the Resolution of Formation, the “**Formation Resolutions and the Ordinance**”): (i) Resolution No. 2018-021 (the resolution of intention to establish the District and Improvement Area), (ii) Resolution No. 2018-022 (the resolution declaring necessity for the District to incur bonded indebtedness with respect to the Improvement Area), (iii) Resolution No. 2018-____ (the resolution determining necessity to incur bonded indebtedness), (iv) Resolution No. 2018-____ (resolution calling special election); (v) Resolution No. 2018-____ (the election results resolution), and (vi) Ordinance No. ____ (the ordinance).

The Bonds will be issued pursuant to the terms of a Fiscal Agent Agreement (the “**Fiscal Agent Agreement**”), dated as of July 1, 2018, between the City, for and on behalf of the District, and The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as fiscal agent (the “**Fiscal Agent**”). The proceeds of the sale of the Bonds will be used by the City to finance certain public facilities (the “**Facilities**”), fund a reserve fund and pay costs of issuing the Bonds. Proceeds of the Bonds will be applied in accordance with the Fiscal Agent Agreement.

2. The Bonds will mature on the dates and in the principal amounts, and will bear interest at the rates, as set forth in Exhibit C hereto. The Underwriter agrees to make a bona fide public offering of all the Bonds at the offering prices set forth on the inside cover page of the Final Official Statement described below.

3. (a) The City agrees to deliver to the Underwriter as many copies of the Official Statement, dated the date hereof, relating to the Bonds (as supplemented and amended from time to time, the “**Final Official Statement**”) as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “**Rule**”). The City agrees to deliver such Final Official Statements within seven business days after the execution hereof, or such earlier date identified by the Underwriter to be necessary to allow the Underwriter to meet its obligations under the Rule and Rule G-32 of the Municipal Securities Rulemaking Board (the “**MSRB**”). The Underwriter agrees to deposit the Final Official Statement with the MSRB on or as soon as practicable after the Closing Date (defined below). The Underwriter agrees to deliver a copy of the Final Official Statement to each of its customers purchasing Bonds no later than the settlement date of the transaction.

(b) The City has authorized and approved the Preliminary Official Statement dated _____, 2018 (the “**Preliminary Official Statement**”), and the Final Official Statement and consents to their distribution and use by the Underwriter and the execution and approval of the Final Official Statement by a duly authorized officer of the City. The City deems such Preliminary Official Statement final as of its date for purposes of the Rule, except for information allowed by the Rule to be omitted, and has executed a certificate to that effect in the form of Exhibit D. In connection with the printing and distribution of the Preliminary Official Statement, the Developer (defined below) executed a letter of representations in the applicable form attached hereto as Exhibit F.

In connection with issuance of the Bonds, and in order to assist the Underwriter in complying with the Rule, the City will execute a Continuing Disclosure Certificate dated the date of delivery of the Bonds (the “**City Continuing Disclosure Certificate**”). Concurrently, Arantine Hills Holdings L.P., a Delaware limited partnership (the “**Developer**”), and Fiscal Agent will enter into a Continuing Disclosure Certificate (the “**Developer Continuing Disclosure Certificate**”), dated the date of delivery of the Bonds, for the benefit of the owners of the Bonds.

Pursuant to the Developer Continuing Disclosure Certificate, the Developer will undertake to provide certain data regarding the Developer's activities in the District for a limited period. The forms of the City Continuing Disclosure Certificate and the Developer Continuing Disclosure Certificate are attached as Appendix E to the Final Official Statement.

4. The City represents and warrants to the Underwriter that:

(a) Each of the City, District and Improvement Area is duly organized and validly existing under the laws of the State of California (the "**State**"), and the City has the full legal right, power and authority, among other things, (i) upon satisfaction of the conditions in this Purchase Contract and the Fiscal Agent Agreement, to issue the Bonds for the purpose of financing the design, acquisition and construction of the Facilities, and (ii) to secure the Bonds in the manner contemplated in the Fiscal Agent Agreement.

(b) The City Council has the full legal right, power and authority to adopt the Bond Resolution and the Formation Resolutions and the Ordinance, and the City has the full legal right, power and authority to (i) enter into this Purchase Contract, the Fiscal Agent Agreement and the City Continuing Disclosure Certificate, (ii) issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) carry out and consummate all other transactions on its part contemplated by each of the aforesaid documents (such documents together with the Final Official Statement are collectively referred to herein as the "**City Documents**"), and the City and the City Council have complied with all provisions of applicable law, including the Act, in all matters relating to such transactions.

(c) The City has duly authorized (i) the execution and delivery by the City of the Bonds and the execution, delivery and due performance by the City of its obligations under the City Documents, (ii) the distribution and use of the Preliminary Official Statement and execution, delivery and distribution of the Final Official Statement, and (iii) the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the City in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) The Bond Resolution and the Formation Resolutions and the Ordinance have been duly adopted by the City Council and are in full force and effect; and the Fiscal Agent Agreement, when executed and delivered by the City and the other party thereto, will constitute a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally.

(e) When delivered to the Underwriter, the Bonds will have been duly authorized by the City Council and duly executed, issued and delivered by the City and will constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, and will be entitled to the benefit and security of the Fiscal Agent Agreement.

(f) The information relating to the City, District and Improvement Area (excluding information relating to the Developer or any Merchant Builder (as defined in

Section 8(c)(xx) hereof) and its respective property and activities in the District or Improvement Area) contained in the Preliminary Official Statement is true and correct in all material respects, and the Preliminary Official Statement does not as of its date contain any untrue or misleading statement of a material fact relating to the City, District or Improvement Area (excluding information relating to the Developer or any Merchant Builder and its respective property and activities in the District or Improvement Area) or omit to state any material fact relating to the City, District or Improvement Area (excluding information relating to the Developer or any Merchant Builder and its respective property and activities in the District or Improvement Area) necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) If, at any time prior to the earlier of (i) receipt of notice from the Underwriter that the Final Official Statement is no longer required to be delivered under the Rule or (ii) the Closing (as described in Section 6 below), any event known to the officers of the City participating in the issuance of the Bonds occurs with respect to the City, District or Improvement Area as a result of which the Final Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter in writing of such event. Any information supplied by the City for inclusion in any amendments or supplements to the Final Official Statement will not contain any untrue or misleading statement of a material fact relating to the City, District or Improvement Area or omit to state any material fact relating to the City, District or Improvement Area necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) None of the adoption of the Bond Resolution or the Formation Resolutions and the Ordinance, the execution and delivery of the City Documents, or the consummation of the transactions on the part of the City contemplated herein or therein or the compliance by the City with the provisions hereof or thereof will conflict with, or constitute on the part of the City, a violation of, or a breach of or default under, (i) any material indenture, mortgage, commitment, note or other agreement or instrument to which the City is a party or by which it is bound, (ii) any provision of the State Constitution or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the City (or the members of the City Council or any of its officers in their respective capacities as such) is subject, that would have a material adverse affect on the ability of the City to perform its obligations under the City Documents.

(i) The City has never been in default at any time, as to principal of or interest on any obligation which it has issued, including those which it has issued as a conduit for another entity, which default may have an adverse effect on the ability of the City to consummate the transactions on its part under the City Documents, except as specifically disclosed in the Final Official Statement; and other than the Fiscal Agent Agreement, the City has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Special Taxes.

(j) Except as is specifically disclosed in the Final Official Statement, to the best knowledge of the City, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the City has been served with process or threatened, that in any way questions the powers of the City Council or the City referred to in paragraph (b) above, or the validity of any

proceeding taken by the City Council in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Purchase Contract, or of any other City Document, or that, in any way, could adversely affect the validity or enforceability of the Bond Resolution, the Formation Resolutions and the Ordinance, the City Documents or the Bonds or, to the knowledge of the City, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under State tax laws or regulations.

(k) Any certificate signed by an official of the City authorized to execute such certificate and delivered to the Underwriter in connection with the transactions contemplated by the City Documents shall be deemed a representation and warranty by the City to the Underwriter as to the truth of the statements therein contained.

(l) The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(m) The Bonds will be paid from Special Taxes received by the City and moneys held in certain funds and accounts established under the Fiscal Agent Agreement.

(n) The Special Taxes may lawfully be levied in accordance with the Rate and Method of Apportionment for Improvement Area No. 1 (the "**Rate and Method**") and, when levied, will be secured by a lien on the property on which they are levied.

(o) The Fiscal Agent Agreement creates a valid pledge of, and first lien upon the Special Taxes deposited in certain funds and accounts established pursuant to the Fiscal Agent Agreement, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(p) Except as disclosed in the Preliminary Official Statement, the City has not failed to comply with any undertaking of the City under the Rule.

(q) The City acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the City and the Underwriter and the Underwriter has financial and other interests that differ from those of the City; (ii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City and has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iii) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; and (iv) the City has consulted its own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

5. The City covenants with the Underwriter that the City will cooperate with the Underwriter (at the cost of the Underwriter), in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may

reasonably request; provided, however, that the City shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The City consents to the use by the Underwriter of the City Documents in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions.

6. At 9:00 a.m. California time on July ____, 2018 (the “**Closing Date**”), or at such other time and/or date as shall have been mutually agreed upon by the City and the Underwriter, the City will deliver or cause to be delivered to the Underwriter the Bonds in definitive form duly executed and authenticated by the Fiscal Agent together with the other documents mentioned in Section 8 hereof; and the Underwriter will accept such delivery and pay the Purchase Price of the Bonds by delivering to the Fiscal Agent for the account of the City a check payable in federal funds or making a wire transfer in federal funds payable to the order of the Fiscal Agent.

The activities relating to the final execution and delivery of the Bonds and the Fiscal Agent Agreement and the payment therefor and the delivery of the certificates, opinions and other instruments as described in Section 8 of this Purchase Contract shall occur at the offices of Best Best & Krieger LLP, Riverside, California (“**Bond Counsel**”). The payment for the Bonds and simultaneous delivery of the Bonds to the Underwriter is herein referred to as the “**Closing**.” The Bonds will be delivered as fully registered, book entry only Bonds initially in denominations equal to the principal amount of each maturity thereof. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, and will be made available for checking by the Underwriter at such place as the Underwriter and the Fiscal Agent shall agree not less than 24 hours prior to the Closing.

7. The Underwriter shall have the right to cancel its obligations to purchase the Bonds if between the date hereof and the date of Closing:

(a) the House of Representatives or the Senate of the Congress of the United States, or a committee of either, shall have pending before it, or shall have passed or recommended favorably, legislation introduced previous to the date hereof, which legislation, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the City or by any similar body under the Fiscal Agent Agreement or upon interest received on obligations of the general character of the Bonds, or of causing interest on obligations of the general character of the Bonds, to be includable in gross income for purposes of federal income taxation, and such legislation, in the Underwriter's opinion, materially adversely affects the market price of the Bonds; or

(b) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported or re-reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, circular, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income

taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the City under the Fiscal Agent Agreement or upon interest received on obligations of the general character of the Bonds, or the Bonds and also including adversely affecting the tax-exempt status of the City under the Code, which, in the opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

(c) legislation shall have been enacted, or actively considered for enactment with an effective date prior to the Closing, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Fiscal Agent Agreement, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution and delivery of the Fiscal Agent Agreement as contemplated hereby or by the Final Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) any event shall have occurred or any information shall have become known to the Underwriter that causes the Underwriter to reasonably believe that the Final Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the City fails to amend or supplement such Final Official Statement to cure such omission or misstatement pursuant to Section 4(g), or the effect of the Final Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(f) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(g) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(h) a general banking moratorium shall have been declared by federal, New York or State authorities; or

(i) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City; or

(j) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which adversely affects the Underwriter's ability to sell the Bonds; or

(k) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(l) an amendment to the federal or State constitution shall be enacted or action taken by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City, its property, income or securities (or interest thereon), the validity or enforceability of the Special Tax or the ability of the City to issue the Bonds and levy the Special Tax as contemplated by the Fiscal Agent Agreement, the Rate and Method and the Final Official Statement; or

(m) the entry of any order by a court of competent jurisdiction that enjoins or restrains the City from issuing permits, licenses or entitlements within the District or which order, in the reasonable opinion of the Underwriter, otherwise materially and adversely affects development of the real property located in the District.

8. The obligation of the Underwriter to purchase the Bonds shall be subject (a) to the performance by the City of its obligations to be performed by it hereunder at and prior to the Closing, (b) to the accuracy as of the date hereof and as of the time of the Closing of the representations and warranties of the City herein, and (c) to the following conditions, including the delivery by the City of such documents as are enumerated herein in form and substance satisfactory to the Underwriter:

(a) At the time of Closing, (i) the Official Statement, this Purchase Contract, the City Continuing Disclosure Certificate, the Developer Continuing Disclosure Certificate and the Fiscal Agent Agreement shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, and (ii) the City shall have duly adopted and there shall be in full force and effect such resolutions and ordinances (including, but not limited to, the Bond Resolution, the Formation Resolutions and the Ordinance) as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) Receipt of the Bonds, executed by the City and authenticated by the Fiscal Agent, at or prior to the Closing. The terms of the Bonds, when delivered, shall in all instances be as described in the Final Official Statement.

(c) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter and the City:

(i) A final approving opinion of Bond Counsel dated the date of Closing in the form attached to the Final Official Statement as Appendix F.

(ii) A letter or letters of Bond Counsel addressed to the Underwriter and Fiscal Agent that includes a statement to the effect that Bond Counsel's final approving opinion may be relied upon by the Underwriter and Fiscal Agent to the same extent as if such opinion were addressed to the Underwriter and Fiscal Agent.

(iii) An supplemental opinion of Bond Counsel that provides:

(A) The City has duly and validly executed the Purchase Contract, and the Purchase Contract constitutes the legal, valid and binding agreement of the City, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion in appropriate cases.

(B) The statements contained in the Official Statement on the cover page and under the captions "INTRODUCTION," "THE BONDS (other than information relating to DTC and its book-entry only system, as to which no opinion need be expressed)," "SOURCES OF PAYMENT FOR THE BONDS," "LEGAL MATTERS – Tax Exemption," and in Appendices D and F thereto, insofar as such statements expressly summarize certain provisions of the Bonds, the Fiscal Agent Agreement and our final approving opinion relating to the Bonds, are accurate in all material respects.

(C) The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(iv) A letter of Stradling Yocca Carlson & Rauth, P.C., addressed to the City and the Underwriter ("**Disclosure Counsel**"), to the effect that during the course of serving as Disclosure Counsel in connection with the issuance of the Bonds and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or Final Official Statement, no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds that would lead them to believe that the Preliminary Official Statement or Final Official Statement (excluding therefrom the financial statements, any financial or statistical data, or forecasts, charts, numbers, estimates, projections, assumptions or expressions of opinion included in the Preliminary Official Statement or Final Official Statement, information regarding DTC, and the appendices to the Preliminary Official Statement or Final Official Statement, as to which no opinion need be expressed), as of the respective dates thereof or the Closing Date, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(v) The Final Official Statement executed on behalf of the City by a duly authorized officer.

(vi) Certified copies of the Bond Resolution and the Formation Resolutions and the Ordinance.

(vii) Evidence of recordation in the real property records of the County of Riverside of a Notice of Special Tax Lien in the form required by the Act.

(viii) A certificate of the City, in form and substance as set forth in Exhibit A hereto, dated as of the Closing Date.

(ix) A certificate in form and substance as set forth in Exhibit B hereto, of Spicer Consulting Group, LLC, Temecula, California, as special tax consultant, dated as of the Closing Date.

(x) Evidence that Federal Form 8038-G has been executed by the City and will be filed with the Internal Revenue Service.

(xi) Executed copies of the Fiscal Agent Agreement and the City Continuing Disclosure Certificate.

(xii) A non-arbitrage certificate executed by the City in form and substance satisfactory to Bond Counsel.

(xiii) An opinion, dated the Closing Date and addressed to the Underwriter and Fiscal Agent, of the City Attorney, to the effect that:

(A) The City is a general law city of the State of California, duly organized and validly existing under the laws of the State of California, and has the requisite legal right, power and authority to adopt the Bond Resolution, the Formation Resolutions and the Ordinance.

(B) The Bond Resolution, the Formation Resolutions and the Ordinance were duly adopted at a meeting of the City Council which was called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Bond Resolution, the Formation Resolutions and the Ordinance were adopted. To the best of our knowledge and based upon reasonable investigation, the Bond Resolution and the Formation Resolutions and the Ordinance are in full force and effect and have not been amended or repealed.

(C) Except as disclosed in the Official Statement, there is no action, suit, proceeding, at law or in equity, before or by any court, regulatory agency, public board or body pending with respect to which the City has been served with process or, to the best knowledge of the City Attorney, threatened wherein an unfavorable decision, ruling or finding would: (i) affect the existence of the City or the titles of the City's officials to their respective offices; (ii) restrain or enjoin the issuance, sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Taxes to pay the principal of and interest on the Bonds; (iii) restrain or enjoin the development of the property within the Improvement Area; (iv) in

any way affect the validity or enforceability of the Bonds, the Documents or any action of the City contemplated by any of said documents; or (v) in any way contest the completeness or accuracy of the Official Statement or the powers of the City or its authority with respect to the Bonds, the Documents, or any action on the part of the City contemplated by any of said documents, wherein an unfavorable decision, ruling, or finding could materially adversely affect the validity or enforceability of the Bonds or the Documents.

(D) To the best of our knowledge and based upon reasonable investigation, the execution and delivery of the Bonds and the Documents, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under: any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument of which the City is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the City to perform its obligations under the Bonds or the Documents.

(E) To the best of our knowledge and based upon reasonable investigation, all approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the City, to perform its obligations under the Bonds or the Documents, have been obtained or made, as the case may be, and are in full force and effect.

(xiv) In connection with printing and distribution of the Preliminary Official Statement, an executed certificate of the City in the form attached hereto as Exhibit D.

(xv) An executed copy of the Developer Continuing Disclosure Certificate.

(xvi) A certificate of Kitty Siino & Associates, Inc., Tustin, California, the appraiser, in the form attached hereto as Exhibit E, along with a copy of its appraisal report in the form attached to the Final Official Statement as Appendix B (the "**Appraisal Report**").

(xvii) Executed Letter of Representations in the form attached hereto as Exhibit F.

(xviii) Executed closing certificate of the Developer, dated as of the Closing Date in form and substance as set forth in Exhibit G hereto.

(xix) An opinion (or opinions) of counsel to the Developer in the substance set forth in Exhibit H hereto.

(xx) Executed Merchant Builder 10b-5 Certificate of each of Woodside 05S, LP, The New Home Company Southern California LLC and TRI Pointe

Homes, Inc. (each, a “**Merchant Builder**”) in the form attached hereto as Exhibit I.

(xxi) Executed closing certificate of each Merchant Builder, dated as of the Closing Date, in the form and substance as set forth in Exhibit J hereto.

(xxii) A certificate in form and substance as set forth in Exhibit K hereto of the Fiscal Agent and an opinion of its counsel in form and substance satisfactory to the Underwriter.

(xxiii) A certificate in form and substance of Exhibit L hereto executed by the municipal advisor to the City (the “**Municipal Advisor**”).

(xxiv) A certificate of Empire Economics, Inc., Capistrano Beach, California, the market absorption consultant, in the form attached hereto as Exhibit M, along with a copy of its Market Absorption Study (the “**Market Absorption Study**”).

(xxv) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the City herein contained and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Contract, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate, and neither the Underwriter nor the City shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 12 hereof shall continue in full force and effect. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

9. Establishment of Issue Price.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit N, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by the Municipal Advisor and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor.

(b) [Except as otherwise set forth in Exhibit C attached hereto,] the City will treat the first (meaning single) price at which 10% of each maturity of the Bonds (the “**10%**”

test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined herein) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) [The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Exhibit C attached hereto, except as otherwise set forth therein. Exhibit C also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed immediately after the execution of this Purchase Contract) and (ii) the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(xxvi) the close of the fifth (5th) business day after the sale date; or

(xxvii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.] **[[APPLIES ONLY IF THE UNDERWRITER AGREES TO APPLY THE HOLD-THE-OFFERING-PRICE RULE]**

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member

of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “**public**” means any person other than an underwriter or a related party;

(ii) “**underwriter**” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “**related party**” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “**sale date**” means the date of execution of this Purchase Contract by all parties.

10. The obligations of the City to issue and deliver the Bonds on the Closing Date shall be subject, at the option of the City, to the performance by the Underwriter of its obligations to be performed hereunder at or prior to the Closing Date.

11. All representations, warranties and agreements of the City hereunder shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the City and shall survive the Closing.

12. The City shall pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Purchase Contract, including, but not limited to, delivery

of the Bonds, costs of printing the Bonds, the Preliminary Official Statement and the Final Official Statement, any amendment or supplement to the Preliminary Official Statement or Final Official Statement and this Purchase Contract, fees and disbursements of Bond Counsel and Disclosure Counsel, any financial advisor and other consultants engaged by the City, including the fees and expenses of the special tax consultant and fees of the Fiscal Agent.

The Underwriter shall pay the California Debt and Investment Advisory Commission fee, all advertising expenses in connection with the public offering of the Bonds, and all other expenses incurred by it in connection with its public offering and distribution of the Bonds, including fees and expenses of its counsel, meals, transportation, and lodging (but not entertainment expenses), and fees and disbursements in connection with the qualification of the Bonds for sale under the securities or "Blue Sky" laws of the various jurisdictions and the preparation of "Blue Sky" memoranda.

13. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to the following: Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, Suite 3700, San Francisco, California 94104, Attn: Jim Cervantes.

14. This Purchase Contract is made solely for the benefit of the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

15. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of California.

16. This Purchase Contract shall become effective upon acceptance hereof by the City.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Authorized Representative

Accepted and agreed to as of
the date first above written:

CITY OF CORONA for and on behalf of
COMMUNITY FACILITIES DISTRICT NO.
2018-1 (BEDFORD) OF THE CITY OF
CORONA

By: _____
Assistant City Manager/
Administrative Services Director

Time of execution: __:___.m.

EXHIBIT A

**§ _____
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

CLOSING CERTIFICATE OF THE CITY

I, the undersigned, hereby certify that I am the Assistant City Manager/Administrative Services Director of the City of Corona, the City Council of which is the legislative body for Community Facilities District No. 2018-1 (Bedford) of the City of Corona (the “**District**”), a community facilities district duly organized and existing under the laws of the State of California (the “**State**”), and that as such, I am authorized to execute this Certificate on behalf of the City in connection with the issuance of the above-referenced Special Tax Bonds (the “**Bonds**”).

I hereby further certify on behalf of the City that:

(A) to my best knowledge, after reasonable inquiry, no litigation is pending with respect to which the City has been served with process or threatened (1) to restrain or enjoin the issuance of any of the Bonds or the collection of Special Taxes pledged under the Fiscal Agent Agreement; (2) in any way contesting or affecting the authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Fiscal Agent Agreement, the City Continuing Disclosure Certificate or the Purchase Contract; or (3) in any way contesting the existence or powers of the City;

(B) the representations and warranties made by the City in the City Documents are true and correct in all material respects on the Closing Date, with the same effect as if made on the Closing Date;

(C) no event affecting the City has occurred since the date of the Official Statement that, as of the Closing Date, would cause any statement or information contained in the Final Official Statement under the caption “LEGAL MATTERS – Litigation” to be incorrect or incomplete in any material respect or would cause the information contained under the caption “LEGAL MATTERS – Litigation” in the Final Official Statement to contain an untrue statement of a material fact or omit to state a material fact necessary in order to make such statements therein, in the light of the circumstances under which they were made, not misleading;

(D) as of the date hereof, the Fiscal Agent Agreement is in full force and effect in accordance with its terms and has not been amended, modified or supplemented except in such case as may have been agreed to by the Underwriter;

(E) the City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the City Documents prior to issuance of the Bonds; and

(F) the Bond Resolution and the Formation Resolutions and the Ordinance are in full force and effect and have not been amended or repealed.

Capitalized terms not defined herein shall have the same meaning set forth in the Purchase Contract dated _____, 2018, between the City and Stifel, Nicolaus, Incorporated.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date hereinbelow set forth.

Dated: [Closing Date]

CITY OF CORONA for and on behalf of
COMMUNITY FACILITIES DISTRICT NO.
2018-1 (BEDFORD) OF THE CITY OF
CORONA

By: _____
Assistant City Manager/
Administrative Services Director

EXHIBIT B

\$ _____
**COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

CERTIFICATE OF SPECIAL TAX CONSULTANT

Spicer Consulting Group, LLC ("**Special Tax Consultant**"), Temecula, California was retained as Special Tax Consultant and assisted in the preparation of and has reviewed the Rate and Method of Apportionment for Improvement Area No. 1 (the "**Rate and Method**") set forth in Appendix A to the Official Statement dated _____, 2018 (the "**Official Statement**") relating to the above-referenced bonds (the "**Bonds**"). Based upon the Special Tax Consultant's review of the Official Statement and such other documents as it deems relevant in the circumstances, the Special Tax Consultant hereby certifies that the Special Tax, if collected in the maximum amounts permitted pursuant to the Rate and Method, would generate at least 110% of the gross annual debt service on the Bonds, provided that the annual debt service figures on the attached debt service schedule, which were relied upon by Special Tax Consultant, are substantially true and correct.

Although the Special Tax if collected in the maximum amounts pursuant to the Rate and Method will generate at least 110% of the gross annual debt service payable with respect to the Bonds each year, no representation is made herein as to actual amounts that will be collected in future years.

All information with respect to the Rate and Method in the Official Statement and all other information sourced to the Special Tax Consultant is true and correct as of the date of the Official Statement and as of the date hereof, and a true and correct copy of the Rate and Method is attached to the Official Statement as Appendix A.

Dated: [Closing Date]

SPICER CONSULTING GROUP,
LLC

By: _____
Its: _____

EXHIBIT C

**COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

<u>Maturity Date (September 1)</u>	<u>Principa l Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied</u>	<u>10% Test Satisfied</u>	<u>Subject to Hold- the- Offering- Price Rule</u>
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<u>Maturity Date (September 1)</u>	<u>Principa l Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied</u>	<u>10% Test Satisfied</u>	<u>Subject to Hold- the- Offering- Price Rule</u>
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T: Term bond.

C: Priced to the first optional redemption date at par of September 1, 20__.

Redemption Provisions

[TO COME.]

EXHIBIT D

**COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

The undersigned hereby certifies and represents that he/she is the duly appointed and Assistant City Manager/Administrative Services Director of the City of Corona (the "**City**"), the City Council of which is the legislative body of Improvement Area No. 1 (the "**Improvement Area**") Community Facilities District No. 2018-1 (Bedford) of the City of Corona (the "**District**"), and is duly authorized to execute and deliver this Certificate and further hereby certifies on behalf of the City as follows:

(1) This Certificate is delivered in connection with the offering and sale of the above-referenced bonds (the "**Bonds**") in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "**Rule**").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds, City, District and Improvement Area (the "**Preliminary Official Statement**").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of [Date of POS].

CITY OF CORONA for and on behalf of
COMMUNITY FACILITIES DISTRICT NO.
2018-1 (BEDFORD) OF THE CITY OF
CORONA

By: _____
Assistant City Manager/
Administrative Services Director

EXHIBIT E

\$ _____
**COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

CERTIFICATE OF APPRAISER

The undersigned, on behalf of Kitty Siino & Associates, Inc., Tustin, California (the "**Appraiser**"), has prepared an appraisal report dated May 25, 2018 (the "**Appraisal Report**"), regarding the value of certain real property and improvements within Improvement Area No. 1 of the Community Facilities District No. 2018-1 (Bedford) of the City of Corona (the "**Improvement Area**"), and certifies that:

1. The assumptions made in the Appraisal Report are reasonable. The Appraisal Report fairly and accurately described, as of the stated date of value, the market values of the properties in the Improvement Area that are subject to the special taxes.
2. The Appraiser is not aware of any event or act that occurred since the date of the Appraisal Report that, in its opinion, would materially and adversely affect the conclusions as to the market value of the appraised property in the Improvement Area.
3. The Appraiser consents to the reproduction of the Appraisal Report as Appendix B to the Preliminary Official Statement dated _____, 2018 (the "**Preliminary Official Statement**"), and the Official Statement dated _____, 2018 (the "**Official Statement**"), each with respect to the above-referenced bonds, and to the references to the Appraiser and the Appraisal Report made in the Preliminary Official Statement and the Official Statement.
4. The Appraiser has reviewed the Preliminary Official Statement and the Official Statement, and the statements concerning the Appraisal Report and the value of the property in the Improvement Area contained in the Preliminary Official Statement and the Official Statement are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.
5. A true and correct copy of the Appraisal Report is attached as Appendix B to the Preliminary Official Statement and the Official Statement.
6. The Appraisal Report complies with the Appraisal Standards for Land-Secured Financings issued by the California Debt and Investment Advisory Commission and dated July 2004.

Dated: [Closing Date]

KITTY SIINO & ASSOCIATES, INC.

By: _____
Its: _____

EXHIBIT F

**COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

LETTER OF REPRESENTATIONS

[Date of POS]

City of Corona
400 South Vicentia Avenue
Corona, California 94882
Attn: Assistant City Manager/
Administrative Services Director

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, Suite 3700
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the “**Bonds**”) and to the Purchase Contract to be entered into in connection therewith (the “**Purchase Contract**”). This Letter of Representations (“**Letter of Representations**”) is delivered pursuant to and in satisfaction of Section 8(c)(xvii) of the Purchase Contract. Capitalized terms used but not defined herein have the meanings ascribed to them in the Purchase Contract.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Arantine Hills Holdings L.P., a Delaware limited partnership (the “**Developer**”), and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is duly formed and validly existing under the laws of the State of Delaware and has all requisite corporate power and authority: (i) to execute and deliver this Letter of Representations, and (ii) to complete the development on its property in Improvement Area No. 1 (the “**Improvement Area**”) of Community Facilities District No. 2018-1 (Bedford) of the City of Corona (the “**District**”) as described in the Preliminary Official Statement relating to the Bonds dated the date hereof (the “**Preliminary Official Statement**”).

2. As set forth in the Preliminary Official Statement, title to a certain portion of the property within the Improvement Area is held in the name of the Developer (the “**Property**”). The undersigned, on behalf of the Developer, makes the representations herein with respect to all such Property. Except as otherwise described in the Preliminary

Official Statement, the Developer and certain of its Affiliates¹ are, and the Developer's current expectations are that the Developer and certain of its Affiliates shall remain, the parties responsible for the development of the Property, and neither the Developer nor its Affiliates has entered into an agreement for development or management of the Property by any other entity, except such subcontracts, consultant agreements and similar agreements for land development activities associated with the Developer's development plan as are entered into in the ordinary course of business.

3. Except as set forth in the Preliminary 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 the Developer (with proper service of process or proper notice to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned² is threatened in writing against the Developer or any Affiliate (a) to restrain or enjoin the collection of Special Taxes or other sums pledged or to be pledged to pay the principal of and interest on the Bonds (e.g., the Reserve Fund established under the Fiscal Agent Agreement), (b) to restrain or enjoin the development of the Property as described in the Preliminary Official Statement, (c) in any way contesting or affecting the validity of the Special Taxes, or (d) that if successful, is reasonably likely to materially and adversely affect the Developer's ability to complete the development and sale of the Property as described in the Preliminary Official Statement or to pay Special Taxes or ad valorem tax obligations on the Property (to the extent of the responsibility of the Developer) prior to delinquency.

¹ **"Affiliate"** means, with respect to the Developer, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Improvement Area and investment decision regarding the Bonds (i.e., information relevant to (a) the Developer's development plans with respect to the Property and ability to pay its Special Taxes on the Property prior to delinquency, or (b) such Person's assets or funds that would materially affect the Developer's ability to develop the Property as described in the Preliminary Official Statement or to pay its Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency. **"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.

² **"Actual Knowledge of the Undersigned"** means the knowledge that the individual signing on behalf of the Developer currently has as of the date of this Letter of Representations or has obtained through (i) interviews with such current officers and responsible employees of the Developer and its Affiliates as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations or (ii) review of documents that were reasonably available to the undersigned and that the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer's current business and operations. Individuals who are no longer employees of the Developer and its Affiliates have not been contacted.

4. As of the date thereof, the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, and the information contained therein solely with respect to the Developer, its Affiliates, the proposed remaining development of the Property, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) as set forth under the sections of the Preliminary Official Statement captioned "INTRODUCTION – Property Ownership and Development Status," "IMPROVEMENT AREA NO. 1 – General Description of the District and Improvement Area No. 1," "IMPROVEMENT AREA NO. 1 – Description of Authorized Facilities," and "PROPERTY OWNERSHIP AND THE DEVELOPMENT – General," "PROPERTY OWNERSHIP AND THE DEVELOPMENT – The Developer," "PROPERTY OWNERSHIP AND THE DEVELOPMENT – The Development" and "PROPERTY OWNERSHIP AND THE DEVELOPMENT – Sales to Merchant Builders" (but in all cases under all captions excluding therefrom (i) information regarding the Market Absorption Study or Appraisal Report, market value ratios and annual special tax ratios, and (ii) information that is identified as having been provided by a source other than the Developer), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. Except as described in the Preliminary Official Statement, there are no material loans outstanding and unpaid, and no material lines of credit of the Developer or its Affiliates, that are secured by an interest in the Property. Neither the Developer nor, to the Actual Knowledge of the Undersigned, any of its Affiliates is currently in material default on any loans, lines of credit or other obligation related to the development of the Property or any other project which default is reasonably likely to materially and adversely affect the Developer's ability to develop the Property as described in the Preliminary Official Statement or to pay the Special Taxes due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.

6. Except as described in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, no portion of the Property has a current liability with respect to the presence of a substance presently classified as hazardous under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 or applicable California law or is materially adversely affected by the presence of endangered or threatened species or habitat for endangered or threatened species.

7. The Developer covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Developer and its Affiliates that the Developer controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the District or the Improvement Area, to challenge the adoption of the ordinance of the City levying Special Taxes within the District, to invalidate the District or the Improvement Area, or any of the Bonds or any refunding bonds, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto. The foregoing covenant shall not prevent the Developer in any way from bringing any other action, suit or proceeding including, without limitation, (a) an action or suit contending that the Special Tax has not been levied in accordance with the

methodologies contained in the Rate and Method, pursuant to which the Special Taxes are levied, (b) an action or suit with respect to the application or use of the Special Taxes levied and collected or (c) an action or suit to enforce the obligations of the City under the Formation Resolutions and the Ordinance, the Fiscal Agent Agreement, or any other agreements between the Developer (or any of its Affiliates) and the City or to which the Developer (or any of its Affiliates) is a beneficiary.

8. The Developer consents to the issuance of the Bonds. The Developer acknowledges and agrees that the proceeds of the Bonds will be used as described in the Preliminary Official Statement.

9. The Developer intends to comply with the provision of the Mello-Roos Community Facilities District Act of 1982, as amended relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property, or portions thereof.

10. To the Actual Knowledge of the Undersigned, during the last five years, neither the Developer nor any of its Affiliates has, 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 included within the boundaries of a community facilities district or an assessment district within California that (a) 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 commenced against the delinquent Developer or its Affiliates.

11. To the Actual Knowledge of the Undersigned, the Developer is able to pay its bills as they become due and no legal proceedings are pending against any the Developer or any Affiliate (with proper service of process having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Developer or any Affiliate may be adjudicated as bankrupt or discharged from any or all of its debts or obligations, or granted an extension of time to pay its debt or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

12. The Developer has not filed for, nor is the Developer aware of, current proceedings for the reassessment of the assessed value of portions of the Property.

13. Based upon its current development plans, including, without limitation, its current budget and subject to economic conditions and risks generally inherent in the development of real property, including, but not limited to, the risks described in the Preliminary Official Statement under the section entitled "RISK FACTORS," the Developer presently anticipates that it will have sufficient funds to complete the development of the Property as described in the Preliminary Official Statement and to pay Special Taxes levied against the Property when due and does not anticipate that the City will be required to resort to a draw on the Reserve Fund for payment of principal of or interest on the Bonds due to the Developer's nonpayment of Special Taxes. However, the Developer's Affiliates are not obligated to make any additional capital contribution or loan to the Developer at any time, and the Developer reserves the right to change its development plan and financing plan for the Property at any time without notice.

14. To the Actual Knowledge of the Undersigned, there are no claims, disputes, suits, actions or contingent liabilities by and among the Developer, its Affiliates or any contractors working on the development of the Property which is reasonably likely to materially and adversely affect the development of the Property as described in the Preliminary Official Statement or the payment of the Special Taxes due with respect to the Property prior to delinquency.

15. An appraisal of the taxable properties within the Improvement Area, dated May 25, 2018 (the "**Appraisal Report**"), with a date of value of April 23, 2018 (the "**Date of Value**"), was prepared by Kitty Siino & Associates, Inc., Tustin, California (the "**Appraiser**"). The Appraisal Report estimates the market value of the appraised taxable properties within the Improvement Area as of the Date of Value. To the Actual Knowledge of the Undersigned, all information submitted by, or on behalf of and authorized by, the Developer to the Appraiser and contained in the Appraisal Report was true and correct in all material respects as of the Date of Value.

16. Solely as to the limited information described in Paragraph 4 above concerning the Developer, its Affiliates, the proposed development of the Property, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans or equity investments of such Affiliates), the Developer agrees to indemnify and hold harmless, to the extent permitted by law, the City and its officials and employees, and each Person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Exchange Act of 1934, as amended, against any and all losses, claims, damages or liabilities, joint or several, to which such indemnified party may become subject under any statute or at law or in equity or otherwise and shall reimburse any such indemnified party for any reasonable legal or other expense incurred by it in connection with investigating any such claim against it and defending any such action, insofar and to the extent such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission of a material fact in the above-referenced information in the Preliminary Official Statement, as of its date, necessary to make the statements made by the Developer contained therein, in light of the circumstances under which they were made not misleading. This indemnity provision shall not be construed as a limitation on any other liability which the Developer may otherwise have to any indemnified party, *provided* that in no event shall the Developer be obligated for double indemnification, or for the negligence or willful misconduct of an indemnified party.

17. If between the date hereof and the Closing Date any event relating to or affecting the Developer, its Affiliates, the proposed development of the Property, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans or equity investments of such Affiliates) shall occur of which the Developer has actual knowledge which would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Developer shall notify the City and the Underwriter and if in the opinion of

counsel to the City or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Developer shall reasonably cooperate with the City in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the City and to the Underwriter.

18. To the Actual Knowledge of the Undersigned, the Developer has never failed in any material respect to comply with previous undertakings to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in California within the past five years.

19. For the period through 25 days after the “End of the Underwriting Period” as defined in the Purchase Contract (provided the Developer may assume the End of the Underwriting Period is the Closing Date (as defined in the Purchase Contract), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Developer, its Affiliates or the development of the Property shall occur as a result of which the information referred to in Paragraph 4 hereof contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Developer shall notify the City and the Underwriter, and if, in the opinion of counsel to the City or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Developer shall reasonably cooperate with the City and the Underwriter in the preparation of an amendment or supplement by the City to the Official Statement in form and substance satisfactory to counsel to the City and the Underwriter which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing as of the date of the amendment or supplement to the Official Statement, not misleading.

20. The Developer agrees to deliver a Developer Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Attachment A hereto.

21. On behalf of the Developer, I have reviewed the contents of this Letter of Representations and have met with counsel to the Developer for the purpose of discussing the meaning of the contents of this Letter of Representations. The Developer acknowledges and understands that a variety of state and federal securities laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Developer and that under some circumstances certification as to the matters set forth in this Letter of Representations, without additional disclosures or other action, may not fully discharge all duties and obligations of the Developer under such securities laws.

ARANTINE HILLS HOLDINGS L.P.
a Delaware limited partnership

By: _____
Name: _____
Title: _____

ATTACHMENT A

FORM OF DEVELOPER CLOSING CERTIFICATE

EXHIBIT G

**§ _____
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

DEVELOPER CLOSING CERTIFICATE

[Closing Date]

City of Corona
400 South Vicentia Avenue
Corona, California 94882
Attn: Assistant City Manager/
Administrative Services Director

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, Suite 3700
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the "**Bonds**") and to the Purchase Contract, dated _____, 2018 (the "**Purchase Contract**"), entered into in connection therewith. This certificate is delivered pursuant to and in satisfaction of Section 8(c)(xviii) of the Purchase Contract. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations (the "**Letter of Representations**"), dated _____, 2018, delivered by Arantine Hills Holdings L.P., a Delaware limited partnership (the "**Developer**"), which is attached hereto as Attachment A.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement dated _____, 2018 relating to the Bonds (the "**Official Statement**"). To the Actual Knowledge of the Undersigned, each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) relating to the Developer, its Affiliates, the proposed development of the Property, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual

arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates), which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. The Developer is duly authorized to execute, deliver and perform its Developer Continuing Disclosure Certificate.

4. The Developer has duly executed and delivered the Developer Continuing Disclosure Certificate.

ARANTINE HILLS HOLDINGS L.P.
a Delaware limited partnership

By: _____
Name: _____
Title: _____

ATTACHMENT A

EXECUTED LETTER OF REPRESENTATIONS DATED _____, 2018

See attached.

EXHIBIT H

**§ _____
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

FORM OF OPINION OF COUNSEL TO DEVELOPER

[Closing Date]

1. Developer is a limited partnership, duly formed in the State of Delaware, and validly existing and in good standing under the laws of the States of Delaware and California, and has full power and authority to enter into the Development Continuing Disclosure Certificate.

2. Except as disclosed in the Preliminary Official Statement and Final Official Statement and based solely on computerized litigation searches and representations of the Developer, there are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened or to which the Property is subject, which, if determined adversely to the Developer, would individually or in the aggregate (a) have a material adverse effect on the financial position or results of operations of the Developer, considered as a whole, or (b) materially and adversely affect the ability of the Developer to complete the proposed development of the Property.

3. The Developer has duly and validly executed and delivered its Continuing Disclosure Certificate, and its Continuing Disclosure Certificate constitutes the legal, valid and binding obligations of the Developer.

4. Based upon my review of the Preliminary Official Statement and Final Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and Final Official Statement, no facts came to my attention that would lead me to believe that the information in the section of the Preliminary Official Statement or Final Official Statement relating to the Developer and its organization, ownership, activities, properties and financial condition, and its proposed development of the Property, contains any untrue statement of a material fact or omits any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

EXHIBIT I

**COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

MERCHANT BUILDER 10b-5 CERTIFICATE

[Date of POS]

City of Corona
400 South Vicentia Avenue
Corona, California 94882
Attn: Assistant City Manager/
Administrative Services Director

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, Suite 3700
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the "**Bonds**") and to the Purchase Contract to be entered into in connection therewith (the "**Purchase Contract**"). This Merchant Builder 10b-5 Certificate (this "**Certificate**") is delivered pursuant to and in satisfaction of Section 8(c)(xx) of the Purchase Contract. Capitalized terms used but not defined herein have the meanings ascribed to them in the Purchase Contract.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of _____ (the "**Merchant Builder**"), and the undersigned, on behalf of the Merchant Builder, further certifies that as of the date thereof, the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, and the information contained therein solely with respect to the Merchant Builder's property in the Improvement Area (the "**Property**") under the heading captioned "INTRODUCTION – Property Ownership and Development Status" and "PROPERTY OWNERSHIP AND THE DEVELOPMENT – [The New Home Company][Woodside Homes][TRI Pointe Homes]" (but in all cases under all captions excluding therefrom (i) information regarding the Market Absorption Study or Appraisal Report, market value ratios and annual special tax ratios, and (ii) information that is identified as having been provided by a source other than the Merchant Builder), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If between the date hereof and the Closing Date any event relating to or affecting the or the Property shall occur of which the Merchant Builder has actual knowledge that would cause the information, under the sections of the Preliminary Official Statement indicated above, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not

misleading, the Merchant Builder shall notify the City and the Underwriter and if in the opinion of counsel to the City or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Merchant Builder shall reasonably cooperate with the City in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the City and to the Underwriter.

For the period through 25 days after the “End of the Underwriting Period” as defined in the Purchase Contract (provided the Merchant Builder may assume the End of the Underwriting Period is the Closing Date (as defined in the Purchase Contract), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Merchant Builder or the Property as a result of which the information contained in the sections of the Preliminary Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Merchant Builder shall notify the City and the Underwriter, and if, in the opinion of counsel to the City or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Merchant Builder shall reasonably cooperate with the City and the Underwriter in the preparation of an amendment or supplement by the City to the Official Statement in form and substance satisfactory to counsel to the City and the Underwriter which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing as of the date of the amendment or supplement to the Official Statement, not misleading.

“Actual Knowledge of the Undersigned” means the knowledge that the individual signing on behalf of the Merchant Builder currently has as of the date of this Certificate or has obtained through (i) interviews with such current officers and responsible employees of the Merchant Builder and its Affiliates as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Certificate or (ii) review of documents that were reasonably available to the undersigned and that the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Certificate. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Merchant Builder’s current business and operations. Individuals who are no longer employees of the Merchant Builder and its Affiliates have not been contacted.

“Affiliate” means, with respect to the Merchant Builder, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Merchant Builder, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Improvement Area and investment decision regarding the Bonds (i.e., information relevant to (a) the Merchant Builder’s development plans with respect to the Property and ability to pay its Special Taxes on the Property prior to delinquency, or (b) such Person’s assets or funds that would materially affect the Merchant Builder’s ability to develop the Property as described in the Preliminary Official Statement or to pay its Special Taxes on the Property (to the extent the responsibility of the Merchant Builder) prior to delinquency. **“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.

The Merchant Builder agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Attachment A hereto.

[MERCHANT BUILDER]

By: _____
Name: _____
Title: _____

ATTACHMENT A

FORM OF MERCHANT BUILDER CLOSING CERTIFICATE

EXHIBIT J

**COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

MERCHANT BUILDER CLOSING CERTIFICATE

[Date of POS]

City of Corona
400 South Vicentia Avenue
Corona, California 94882
Attn: Assistant City Manager/
Administrative Services Director

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, Suite 3700
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the "**Bonds**") and to the Purchase Contract, dated _____, 2018 (the "**Purchase Contract**"), entered into in connection therewith. This certificate is delivered pursuant to and in satisfaction of Section 8(c)(xxi) of the Purchase Contract. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Merchant Builder 10b-5 Certificate (the "**10b-5 Certificate**"), dated _____, 2018, delivered by [The New Home Company][Woodside Homes][TRI Pointe Homes] (the "**Merchant Builder**"), which is attached hereto as Attachment A.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Merchant Builder, and the undersigned, on behalf of the Merchant Builder, further certifies as follows:

1. The Merchant Builder has received the final Official Statement dated _____, 2018 relating to the Bonds (the "**Official Statement**"). To the Actual Knowledge of the Undersigned, each statement, representation and warranty made in the 10b-5 Certificate is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in the 10b-5 Certificate (and subject to the limitations and exclusions contained therein) relating to the Merchant Builder or the Property should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "End of the Underwriting Period" as defined in the Purchase Contract (provided the Merchant Builder may assume the End of the Underwriting Period is the Closing Date (as defined in the Purchase Contract), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Merchant Builder or the Property shall occur as a result of which the information referred to in the 10b-5 Certificate contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Merchant Builder shall notify the City and the Underwriter, and if, in the opinion of counsel to the City or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Merchant Builder shall reasonably cooperate with the City and the Underwriter in the preparation of an amendment or supplement by the City to the Official Statement in form and substance satisfactory to counsel to the City and the Underwriter which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing as of the date of the amendment or supplement to the Official Statement, not misleading.

4. The Merchant Builder covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Merchant Builder and its Affiliates that the Merchant Builder controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the District or the Improvement Area, to challenge the adoption of the ordinance of the City levying Special Taxes within the District, to invalidate the District or the Improvement Area, or any of the Bonds or any refunding bonds, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto. The foregoing covenant shall not prevent the Merchant Builder in any way from bringing any other action, suit or proceeding including, without limitation, (a) an action or suit contending that the Special Tax has not been levied in accordance with the methodologies contained in the Rate and Method, pursuant to which the Special Taxes are levied, (b) an action or suit with respect to the application or use of the Special Taxes levied and collected or (c) an action or suit to enforce the obligations of the City under the Formation Resolutions and the Ordinance, the Fiscal Agent Agreement, or any other agreements between the Developer (or any of its Affiliates) and the City to which the Merchant Builder (or any of its Affiliates) is a beneficiary.

[MERCHANT BUILDER]

By: _____
Name: _____
Title: _____

ATTACHMENT A

EXECUTED MERCHANT BUILDER CLOSING CERTIFICATE
DATED _____, 2018

EXHIBIT K

**§ _____
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

CERTIFICATE OF FISCAL AGENT

The undersigned hereby states and certifies that the undersigned is an authorized officer of The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "**Fiscal Agent**") under that certain Fiscal Agent Agreement, dated as of July 1, 2018 (the "**Fiscal Agent Agreement**"), by and between Community Facilities District No. 2018-1 (Bedford) of the City of Corona (the "**District**") and the Fiscal Agent, relating to the captioned bonds (the "**Bonds**") and as such, is familiar with the following facts and is authorized and qualified to certify the following facts on behalf of the Fiscal Agent:

(1) The Fiscal Agent is duly organized and existing as a national banking association under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Fiscal Agent Agreement.

(2) The Fiscal Agent Agreement has been duly authorized, executed and delivered by the Fiscal Agent and the Bonds have been authenticated by a duly authorized representative of the Fiscal Agent in accordance with the Fiscal Agent Agreement.

(3) To the best knowledge of the Fiscal Agent, after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending against the Fiscal Agent or threatened against the Fiscal Agent which in the reasonable judgment of the Fiscal Agent would affect the existence of the Fiscal Agent or in any way contesting or affecting the validity or enforceability of the Fiscal Agent Agreement or contesting the powers of the Fiscal Agent or its authority to enter into and perform its obligation under the Fiscal Agent Agreement.

Dated: [Closing Date]

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Fiscal Agent

By _____
Authorized Officer

EXHIBIT L

**§ _____
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned hereby states and certifies:

(i) that the undersigned is an authorized officer of CSG Advisors Incorporated (the "**Municipal Advisor**"), which has acted as municipal advisor to Community Facilities District No. 2018-1 (Bedford) of the City of Corona (the "**District**") in connection with the issuance of the bonds captioned above (the "**Bonds**"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(ii) that the Municipal Advisor has participated in the preparation of the Preliminary Official Statement dated _____, 2018, and the final Official Statement dated _____, 2018 (the "Official Statement"), relating to the Bonds; and

(iii) that, without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement, nothing has come to the attention of the Municipal Advisor which would lead it to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Dated: [Closing Date]

CSG ADVISORS INCORPORATED,
as Municipal Advisor

By: _____
Authorized Officer

EXHIBIT M

\$ _____
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)

CERTIFICATE OF EMPIRE ECONOMICS, INC.

The undersigned, on behalf of Empire Economics, California, San Juan Capistrano, California (the “**Empire Economics**”), has prepared a market absorption study dated April 4, 2018, as revised on June 15, 2018 (the “**Market Absorption Study**”), regarding the value of certain real property and improvements within Improvement Area No. 1 of Community Facilities District No. 2018-1 (Bedford) of the City of Corona, and certifies that:

1. The assumptions made in the Market Absorption Study are reasonable.
2. Empire Economics is not aware of any event or act that occurred since the date of the Market Absorption Study that, in its opinion, would materially and adversely affect the conclusions set forth in the Market Absorption Study.
3. Empire Economics consents to the references to Empire Economics and the Market Absorption Study made in the Preliminary Official Statement and the Official Statement.
4. Empire Economics has reviewed the Preliminary Official Statement and the Official Statement, and the statements concerning the Market Absorption Study contained in the Preliminary Official Statement and the Official Statement are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Dated: [Closing Date]

EMPIRE ECONOMICS, INC.

By: _____
Its: _____

EXHIBIT N

\$ _____
**COMMUNITY FACILITIES DISTRICT NO. 2018-1
(BEDFORD)
OF THE CITY OF CORONA
2018 SPECIAL TAX BONDS
(IMPROVEMENT AREA NO. 1)**

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, Stifel, Nicolaus & Company, Incorporated (“**Stifel**”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “**Bonds**”).

1. **Bond Purchase Contract.** On _____, 2018 (the “**Sale Date**”), Stifel and the Issuer executed a Bond Purchase Contract (the “**Purchase Contract**”) in connection with the sale of the Bonds. Stifel has not modified the Purchase Contract since its execution on the Sale Date.
2. **Price.**
 - (a) As of the date of this Certificate, for each General Rule Maturities of the Bonds, the first price at which at least 10% of each such Maturity of the Bonds was sold to the Public (the “**10% Test**”) was the respective price for such Maturity listed in Schedule A attached hereto.
 - (b) [Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “**Initial Offering Prices**”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.
 - (c) As set forth in the Purchase Contract, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]
3. **Defined Terms.**
 - (a) “**General Rule Maturities**” means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”
 - (b) “**Hold-the-Offering-Price Maturities**” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

- (c) **“Holding Period”** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
 - (d) **“Issuer”** means the City of Corona, for and on behalf of the Community Facilities District No. 2018-1 (Bedford) of the City of Corona.
 - (e) **“Maturity”** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
 - (f) **“Public”** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
 - (g) **“Underwriter”** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).
4. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [**CLOSING DATE**] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
[Title]

By: _____
[Title]

Dated: [Closing Date]

SCHEDULE A
TO
ISSUE PRICE CERTIFICATE

General Rule Maturities
Actual Sales Information as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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Hold-the-Offering-Price-Maturities

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>
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SCHEDULE B
TO
ISSUE PRICE CERTIFICATE

PRICING WIRE