NOTICE OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
WATER SERVICE CORPORATION

To: Daniel Ferons, Steven LaMar, Peer Swan, and John Withers – Members of the Board of Directors of the Irvine Ranch Water District Water Service Corporation.

Pursuant to the call of the President of the Irvine Ranch Water District Water Service Corporation, notice is hereby given that a Special Meeting of the Board of Directors of Irvine Ranch Water District Water Service Corporation has been called and will be held on Monday, July 13, 2026 at the hour of 5:00 p.m. in the Board Room of the Irvine Ranch Water District located at 15600 Sand Canyon Avenue, Irvine, California 92618. The meeting is called for the purpose set forth in Exhibit "A" attached hereto and by this reference made a part hereof.

This notice is given in accordance with the bylaws of Irvine Ranch Water District Water Service Corporation and Section 54956 of the California Government Code and Corporations Code Section 5211.

Douglas Reinhart
President

Exhibit "A"

AGENDA

IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION
SPECIAL BOARD MEETING
July 13, 2026

CALL TO ORDER 5:00 P.M.

ROLL CALL Directors Ferons, LaMar, Swan, Withers, and President Reinhart

Director Withers will participate via teleconference from the Board Room in the Williams Welcome Center, at The Mount Hermon Camp and Conference Center located at 37 Conference Drive, Felton, California 95018.

PUBLIC COMMENT NOTICE

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Board of Directors orally on any item, you may attend the meeting in person and submit a "speaker slip" to the Secretary. Forms are provided outside of IRWD's Board Room. If you wish to submit written comments to the Board, please submit your public comment in advance of the meeting by emailing comments@irwd.com before 12:00 p.m. the day of the meeting, and your remarks will be added to the record at the meeting.

The corporation was formed for purposes including the rendering of financial assistance to IRWD and the acquisition by purchase for other means of water companies or any interest therein for the benefit of IRWD.

ALL VOTES SHALL BE TAKEN BY A ROLL CALL VOTE.

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1. BOARD MEETING MINUTES

   Recommendation: Approve the minutes of the March 9, 2026 Special Annual Meeting.

2. 2026 CERTIFICATES OF PARTICIPATION ISSUANCE AND REFUNDING OF THE 2016 CERTIFICATES OF PARTICIPATION

   Recommendation: That the Board adopt the following Resolution by title:

   RESOLUTION NO. 2026 – 1

   RESOLUTION OF THE BOARD OF DIRECTORS OF THE
   IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION
   APPROVING THE INSTALLMENT SALE AGREEMENT, TRUST AGREEMENT,
   AND OTHER DOCUMENTS AND APPROVING CERTAIN ACTIONS RELATING TO
   THE IRVINE RANCH WATER DISTRICT
   REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2026

3. COMMUNICATIONS

4. ADJOURNMENT

****

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Board in connection with a matter subject to discussion or consideration at an open meeting of the Board are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to comments@irwd.com. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

July 13, 2026
Prepared and
submitted by: K. Swan
Approved by: Paul A. Cook

IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

BOARD MEETING MINUTES

SUMMARY:

Provided are the minutes of the March 9, 2026 Special Annual Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE MARCH 9, 2026 SPECIAL ANNUAL BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – March 9, 2026 Special Annual Meeting Minutes

Note: This page is intentionally left blank.

Exhibit "A"

MINUTES OF SPECIAL ANNUAL MEETING OF IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

MARCH 9, 2026

The Special Annual Meeting of the Board of Directors of the Irvine Ranch Water District Water Service Corporation was called to order on March 9, 2026 by President Reinhart at 7:25 p.m.

Secretary Swan announced that pursuant to California Government Code Section 54953, Director Ferons will participate in the meeting remotely via teleconference. He will be participating from 1605 Royal Pine Court, Lealand, North Carolina 28451. The agenda was posted at the front door of that location 72 hours in advance of the meeting for any member of the public to review and participate remotely if desired per the Affidavit of Posting from Director Ferons. Secretary Swan said that all votes this evening will be taken by a roll call vote.

Directors Present: Ferons, LaMar, Withers, and President Reinhart.

Directors Absent: Swan.

Also Present: Secretary Swan, of the Irvine Ranch Water District Water Service Corporation, Legal Counsel Collins, and members of the Irvine Ranch Water District staff and public.

ANNUAL MEETING

On MOTION by Ferons, seconded by Withers and unanimously carried following a roll call vote (4-0), THE MEETING OF MARCH 9, 2026, WAS DEEMED TO BE THE ANNUAL MEETING OF THE BOARD OF DIRECTORS FOR 2026 ONLY IN LIEU OF THE ANNUAL MEETING NORMALLY HELD ON THE SECOND MONDAY IN JUNE PURSUANT TO RESOLUTION NO. 2018-1.

APPROVAL OF MINUTES

On MOTION by Withers, seconded by LaMar and unanimously carried following a roll call vote (4-0), THE MINUTES OF THE MARCH 10, 2025 SPECIAL ANNUAL MEETING WERE APPROVED.

ELECTION OF OFFICERS

Director Ferons made a motion to retain the current slate of officers. The motion was seconded by Withers, and unanimously carried following a roll call vote (4-0), DOUGLAS REINHART WAS RE-ELECTED PRESIDENT AND JOHN WITHERS WAS RE-ELECTED VICE PRESIDENT.

MINUTES OF SPECIAL ANNUAL MEETING OF THE
IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

STATE AND FEDERAL EXEMPT ORGANIZATION TAX FILING

On MOTION by Withers, seconded by Ferons and unanimously carried following a roll call vote (4-0), THE STATE AND FEDERAL EXEMPT ORGANIZATIONAL FILINGS FOR THE IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2024 AND ENDING JUNE 30, 2025 WERE APPROVED.

COMMUNICATIONS: None.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting.

APPROVED and SIGNED this 13th day of July, 2026.

Douglas Reinhart, President
Irvine Ranch Water District Water Service Corporation

Kristine Swan, Secretary
Irvine Ranch Water District Water Service Corporation

APPROVED AS TO FORM:

Claire Collins, Legal Counsel
Irvine Ranch Water District Water Service Corporation

July 13, 2026
Prepared by: J. Davis
Submitted by: C. Smithson / N. Adly
Approved by: Paul A. Cook

IRVINE RANCH WATER DISTRICT SERVICE CORPORATION

ACTION CALENDAR

2026 CERTIFICATES OF PARTICIPATION ISSUANCE AND REFUNDING OF THE 2016 CERTIFICATES OF PARTICIPATION

SUMMARY:

On March 9, 2026, the Irvine Ranch Water District Board authorized staff to cause the issuance of fixed and / or variable Certificates of Participation (COPs) in an amount sufficient to refund the 2016 COPs and to reimburse the Capital Fund for replacement-related projects. The issuance of COPs requires two entities, therefore the Irvine Ranch Water District Service Corporation (Corporation) was formed in 1997 to assist IRWD in executing this form of financing. Staff recommends that the Corporation adopt the resolution attached as Exhibit "A", which approves the Installment Sale Agreement, trust agreement, and certain other actions related to the new issuance of the COPs and refunding of the 2016 COPs. Additionally, there is a companion item related to this transaction on the agenda of the IRWD Board meeting of July 13, 2026.

BACKGROUND:

New Issuance of the COPs and Refunding of the 2016 COPs Issue:

IRWD currently has approximately $92.0 million 2016 COPs outstanding. On March 9, 2026, the Board approved staff to cause the issuance of COPs to refund the 2016 COPS and reimburse replacement-related capital expenditures for construction of the Fleming Reservoir Storage Tank, Santiago Creek Dam Improvement, and Michelson Water Recycling Plant Tertiary Filter Improvement projects, and other smaller projects. The issuance of COPs utilizes an Installment Sale Agreement structure requiring two entities to facilitate the transaction. The Corporation was formed in 1997 to carry out this type of financing and has been used in previous COPs transactions including the 2010 and 2016 COPs issuance. Based on current economic conditions, a refunding of 2016 COPs issue may potentially generate the net present value (NPV) savings to IRWD of approximately $11.0 million.

Good Faith Estimates:

California Senate Bill 450 requires that a public agency, prior to a new issuance of bonds, disclose in a public meeting good faith financing estimates provided by an Underwriter, Municipal Advisor, or private lender. These estimates include: (1) the True Interest Cost of the bonds; (2) the total finance charge of the bonds, equal to the sum of all fees and charges paid to third parties; (3) the amount of estimated bond proceeds minus the total finance charge of the bonds, and any reserves funded from proceeds of the bonds; and (4) the total payment amount, which includes the projected sum of all payments the District will make to pay debt service on the bonds plus any portion of the finance charge of the bonds that will not be paid with the

proceeds of the bonds. The following information was obtained from PFM Financial Advisors LLC, as Municipal Advisor, and is provided in compliance with SB 450:

1. *True Interest Cost*: Assuming a par amount of $193,980,000.00 of 2026 Certificates of Participation are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to equal the purchase price received for the bonds, is 3.92%.
2. *Finance Charge*: A good faith estimate of the finance charge of the bonds, which means the sum of all fees and charges paid to third parties, is $792,157.45.
3. *Amount of Proceeds to be Received*: A good faith estimate of the amount of proceeds expected to be received for sale of the bonds less the finance charge of the bonds described in No. 2, above, and any reserves or capitalized interest paid or funded with proceeds of the bonds, is $214,834,340.80.
4. *Total Payment Amount*: Assuming a par amount of $193,980,000.00 is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the bonds plus the finance charge of the bonds described in No. 2 above, not paid with the proceeds of the bonds, calculated to the final maturity of the bonds, is $335,701,316.67.

In connection with the financing, JP Morgan was selected as Senior Manager and Goldman Sachs as Co-Senior Manager. Given the anticipated size of the COPs issuance, Truist and Wells Fargo were also selected to serve as Co-Managers. Additionally, Orrick and Stradling were retained to provide bond counsel and disclosure counsel services. Legal counsel has prepared a resolution providing for approval of the new issuance and refunding documents in substantially final form, which includes the Installment Sale Agreement with the Irvine Ranch Water District, a contract of purchase with Goldman Sachs, a trust agreement with Bank of New York Mellon, and a Preliminary Official Statement (Exhibit “A” through Exhibit “E”).

Staff recommends that the Corporation adopt the resolution attached as Exhibit “A”, which approves the Installment Sale Agreement, Trust Agreement, other documents, and certain actions related to the new issuance of the COPs and refunding of the 2016 COPs in an aggregate amount not to exceed $250.0 million.

The pricing of the bond sale is estimated to be on September 1, 2026 and closing on September 14, 2026.

COMMITTEE STATUS:

The 2026 bond issuance was reviewed and approved by the Irvine Ranch Water District Finance and Personnel Committee on March 3, 2026, and by the Irvine Ranch Water District Board on March 9, 2026, and June 22, 2026.

FISCAL IMPACTS:

A $250 million COPs sale will refund the Series 2016 COPs with an outstanding par amount of approximately $92.0 million and reimburse the Capital Fund for approximately $122.0 million of eligible expenditures that have occurred during the three years prior to the bond issuance. The underwriter fees, expenses, and cost of issuance, including legal, rating agencies, trustee, and printing expenses are estimated at $792,157. Based on current economic conditions, the refunding of the 2016 GO Bonds may potentially generate the net present value (NPV) savings to IRWD of approximately $11.0 million. The exact amount of issuance and savings will be known at the time of closing.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION 2016-

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION APPROVING
THE INSTALLMENT SALE AGREEMENT, TRUST AGREEMENT AND OTHER
DOCUMENTS AND APPROVING CERTAIN ACTIONS RELATING TO
THE IRVINE RANCH WATER DISTRICT
REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2026

LIST OF EXHIBITS:

Exhibit “A” – Resolution approving the Installment Sale Agreement and other documents.
Exhibit “B” – Trust Agreement 2026 COPs
Exhibit “C” – Installment Sale Agreement 2026 COPs
Exhibit “D” – Certificate Purchase Agreement 2026 COPs
Exhibit “E” – Preliminary Official Statement 2026

Note: This page is intentionally left blank.

RESOLUTION NO. 2026-____

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION
APPROVING AN INSTALLMENT SALE AGREEMENT, TRUST AGREEMENT AND
OTHER DOCUMENTS AND APPROVING CERTAIN ACTIONS RELATING TO
IRVINE RANCH WATER DISTRICT REVENUE CERTIFICATES OF PARTICIPATION,
SERIES 2026

WHEREAS, the Irvine Ranch Water District Water Service Corporation (the "Corporation") is authorized and empowered to render financial assistance to the Irvine Ranch Water District ("IRWD") by, among other things, financing, refinancing, acquiring, constructing and selling water, sewer and other public improvements and property for the benefit of IRWD and surrounding areas;

WHEREAS, pursuant to California Water Code section 35850.5, IRWD is authorized and empowered to join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the purposes of IRWD and to contract with such other public agencies, private corporations or other persons for the financing of the acquisition and construction of facilities and other properties to carry out said purposes;

WHEREAS, pursuant to installment sale agreements and other agreements entered into by IRWD with the Corporation and other parties for the purpose of obtaining financing for the acquisition and construction of certain additions, betterments, extensions and improvements to IRWD's facilities for the provision of water, sewer, reclaimed water and related services, IRWD authorized the execution and delivery of the Certificates of Participation Irvine Ranch Water District Series 2016 (the "Prior Certificates");

WHEREAS, IRWD desires to obtain financing and refinancing of certain water, sewer and other public improvements and property, through the execution and delivery of certificates of participation to provide for such financing and refinancing and prepay a portion of the Prior Certificates, and this Board has determined that it is in the interest of the Corporation and in furtherance of the Corporation's purposes to enter into an installment sale agreement with IRWD for such purpose;

WHEREAS, there has been placed on file with the Secretary of the Corporation the form of the installment sale agreement relating to the Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 (the "Certificates"), as well as the forms of a trust agreement and contract of purchase relating to the Certificates, and this Board of Directors desires to approve the form and authorize the execution and/or acknowledgment thereof; and

WHEREAS, this Board desires to authorize the execution and delivery of any and all documents and instruments and the performance of any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution, the installment sale agreement, the trust agreement and the contract of purchase;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. The installment sale agreement, by and between IRWD and the Corporation; the trust agreement, by and among IRWD, the Corporation and U.S. Bank Trust Company, National Association, as trustee, and the contract of purchase, by and among IRWD, the Corporation and J.P. Morgan Securities LLC as representative of itself and on behalf of Goldman Sachs & Co. LLC, Truist Securities, Inc. and Wells Fargo Bank, National Association, as underwriters, relating to the Certificates, each to be dated as of the date established by the Treasurer of IRWD or in her absence an Assistant Treasurer of IRWD, are hereby approved in the respective forms on file with the Secretary upon adoption of this resolution, and the President and Secretary of the Corporation are authorized and directed to execute them in such form, with such changes, insertions and deletions as are approved by the Treasurer of the Corporation, which approval will be conclusively evidenced by execution and delivery thereof. The forms of the installment sale agreement, trust agreement, and contract of purchase, as so executed and delivered (the "Installment Sale Agreement," the "Trust Agreement" and the "Contract of Purchase," respectively) are incorporated herein as of their dates, by this reference. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Trust Agreement.

Section 2. The President, the Treasurer, the Secretary and each other officer of the Corporation, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution, the Installment Sale Agreement, the Trust Agreement and the Contract of Purchase.

Section 3. This resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this 13th day of July, 2026.

_____
President
IRVINE RANCH WATER DISTRICT
SERVICE CORPORATION

_____
Secretary
IRVINE RANCH WATER DISTRICT
SERVICE CORPORATION

APPROVED AS TO FORM:
Hanson Bridgett LLP

By: _____
General Counsel

STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

I, Kristine Swan, Secretary of the Board of Directors of Irvine Ranch Water District Service Corporation, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of said Corporation at a regular board meeting of said Board held on the 13th day of July 2026, and that it was so adopted by the following vote:

AYES: DIRECTORS

NOES: DIRECTORS

ABSTAIN: DIRECTORS

ABSENT: DIRECTORS

(SEAL)

_____

Secretary of Irvine Ranch Water District Service Corporation
and of the Board of Directors thereof

TRUST AGREEMENT

by and among

IRVINE RANCH WATER DISTRICT,

IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of August 1, 2026

Relating to

Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

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TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of August 1, 2026 (the "Trust Agreement"), by and among the IRVINE RANCH WATER DISTRICT, a California water district duly organized and existing under Division 13 of the Water Code of the State of California (the "District"), the IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION, a nonprofit, public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America (the "Trustee");

W I T N E S S E T H:

WHEREAS, the Corporation is authorized and empowered to assist the District in acquiring, financing and refinancing additions, betterments, extensions and improvements to the District's Facilities (capitalized terms used herein and not otherwise defined shall have the meanings given such terms pursuant to Section 1.01 hereof); and

WHEREAS, the Corporation and the District have entered into the Agreement under and pursuant to which the Corporation has agreed to assist the District in financing and refinancing additions, betterments, extensions and improvements to the District's Facilities constituting the Property; and

WHEREAS, the District has determined that the consummation of the transactions contemplated in the Agreement is necessary and proper for District purposes and is for the common benefit of the District as a whole; and

WHEREAS, the District is obligated to make certain Installment Payments to the Corporation under the Agreement; and

WHEREAS, all rights to receive the Installment Payments have been transferred, assigned and set over by the Corporation to the Trustee pursuant to this Trust Agreement; and

WHEREAS, in consideration of such assignment and the execution and entering into of this Trust Agreement, the Trustee has agreed to execute and deliver the Certificates in an aggregate principal amount equal to the aggregate Principal Installments of the Installment Payments, each evidencing an undivided, proportionate ownership interest in the Installment Payments; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Trust Agreement and the Certificates do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the execution and delivery of this Trust Agreement and the Certificates have been in all respects duly authorized;

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS TRUST AGREEMENT WITNESSETH:

In consideration of the premises, of the acceptance by the Trustee of the trust hereby created, and of the purchase and acceptance of the Certificates by the Owners thereof, and to fix and declare the terms and conditions upon which the Certificates are to be executed and delivered, secured and accepted by all Persons who shall from time to time be or become Owners thereof, and to secure the payment of all amounts evidenced by the Certificates at any time delivered and Outstanding hereunder, including interest with respect thereto, according to their tenor, purport and effect, and to secure the performance and observance of all of the covenants, agreements and conditions therein and herein contained, each of the Corporation and the District by these presents grants, bargains, sells, releases, conveys, assigns and transfers unto the Trustee, its successors in the trust established hereby and its assigns, as trustee of an express trust for the benefit of the Owners from time to time of the Certificates, subject only to the provisions of this Trust Agreement permitting the application thereof for the purpose and on the terms and conditions set forth herein, the Trust Estate as follows: (i) the Corporation so grants, bargains, sells, releases, conveys, assigns and transfers, without recourse, all of its right, title and interest in and to the Agreement, but none of its obligations, including without limitation, the right to receive the Installment Payments and the right to enforce the payment of the Installment Payments by the District pursuant to the Agreement, except for the Corporation's rights to give approvals and consents thereunder; and (ii) the Corporation and the District so grant bargain, sell, assign, release, convey, assign and transfer their respective right, title and interest in and to the amounts held at any time in the funds and accounts established pursuant to this Trust Agreement except the Rebate Fund, including the investments, if any, thereof, and all income and proceeds derived from such investments (collectively referred to herein as the "Trust Estate");

TO HAVE AND TO HOLD IN TRUST all of the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors and assigns forever for the equal and ratable benefit of the Owners from time to time of all the Certificates executed and delivered and Outstanding hereunder without any priority as to the Trust Estate of any one Certificate over any other (except as expressly provided in or permitted by this Trust Agreement), upon the trusts and subject to the covenants and conditions hereinafter set forth;

PROVIDED, HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Certificates executed and delivered hereunder, the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in such Certificates or as provided in Article X hereof, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all of the covenants and conditions of this Trust Agreement to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Trust Agreement, then upon such payment or compliance with the requirements of Article X hereof, this Trust Agreement and the unvested rights hereby granted shall cease and terminate, otherwise this Trust Agreement to be and remain in full force and effect;

THIS TRUST AGREEMENT FURTHER WITNESSETH, and it is expressly declared that, all Certificates executed and delivered hereunder are to be executed and delivered and all of the rights and property hereby granted, bargained, sold, released, conveyed, assigned and transferred are to be dealt with and disposed of under, upon and subject to the terms,

conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the District and the Corporation have agreed and covenanted, and do hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Outstanding Certificates, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned, have the meanings herein specified.

"Accountant's Report" means a report signed by an Independent Certified Public Accountant.

"Act" means the California Water District Law, constituting Division 13 of the Water Code of the State of California.

"Aggregate Debt Service" means, for any period, the Debt Service on all Outstanding Parity Obligations during such period.

"Agreement" means that certain Installment Sale Agreement, dated as of August 1, 2026, by and between the District and the Corporation, relating to the Certificates, as amended and supplemented from time to time.

"Agreement Event of Default" means an event described in Section 6.01 of the Agreement.

"Applicable Fiscal Year" means, with respect to the satisfaction of the requirements of Section 5.13 of the Agreement with respect to additional Parity Obligations, that Fiscal Year as to which the audited financial statements of the District are available and which immediately precedes that Fiscal Year selected by the District in which either the additional Parity Obligations are issued or the Board of Directors of the District adopts the resolution authorizing the issuance of such Parity Obligations.

"Authorized Denominations" means $5,000 and any integral multiple thereof.

"Beneficial Owner" means any Person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any of the Certificates (including any Person holding Certificates through nominees, depositories or other intermediaries).

"Bond Counsel" means any firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions selected by the District.

"Book-Entry Certificates" means the Certificates registered in the name of the nominee of DTC, or any successor Securities Depository for the Certificates, as the registered owner thereof pursuant to the terms and provisions of Section 2.09 hereof.

"Business Day" means a day which is not (a) a Saturday, Sunday or any other day bank institutions located in New York, New York, or the city or cities in which the principal or other designated corporate office of the Trustee is located are required or authorized to close or (b) a day on which The New York Stock Exchange is closed.

"Cede & Co." means Cede & Co., the nominee of DTC as Securities Depository for the Certificates, and any successor nominee of DTC as such Securities Depository.

"Certificate Fund" means the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Certificate Fund" established pursuant to Section 5.02 hereof.

"Certificate Register" means the books for the registration and transfer of the Certificates kept by the Trustee pursuant to Section 2.06 hereof.

"Certificates" means Irvine Ranch Water District Revenue Certificates of Participation, Series 2026, evidencing undivided, proportionate ownership interests of the Owners thereof in the Installment Payments which are executed and delivered pursuant to Section 2.01 and any Certificates executed and delivered in lieu thereof or in replacement therefor in accordance with this Trust Agreement.

"Code" means the Internal Revenue Code of 1986, and the regulations issued thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate dated the date of execution and delivery of the Certificates, of the District, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Corporation" means the Irvine Ranch Water District Water Service Corporation, a non-profit, public benefit corporation duly organized and existing under and by virtue of the laws of the State.

"Costs of Delivery" means, with respect to the Certificates, all costs, fees or charges and all other items of expense directly or indirectly payable by or reimbursable to the District or the Corporation and related to the preparation, authorization, execution or delivery of the Agreement, the Certificates or this Trust Agreement and the sale and delivery of the Certificates, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, the Rating Agencies' fees, charges for preparation, execution, transportation and safekeeping of the Certificates and any other cost, charge or fee in connection with the original delivery of the Certificates.

"Costs of Delivery Fund" shall mean the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Costs of Delivery Fund" established pursuant to Section 3.03 hereof.

"Credit Support Agreement" means, (i) with respect to any Credit Support Instrument, other than a Revenue Enhancement Agreement, the agreement or agreements (which may be the Credit Support Instrument itself) between the District and the obligor under such Credit Support Instrument, as originally executed or as it may from time to time be replaced, supplemented or amended, providing for the reimbursement of payments under such Credit Support Instrument, and the interest thereon, and includes any subsequent agreement pursuant to which a substitute Credit Support Instrument is provided, together with any related pledge agreement, security agreement or other security document and (ii) with respect to any Revenue Enhancement Agreement, the Revenue Enhancement Agreement itself, together with any related pledge agreement, security agreement or other security document.

"Credit Support Instrument" means any of: (i) a policy of insurance, a letter of credit, a line of credit, a standby purchase agreement, revolving credit agreement or other credit arrangement providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any Parity Obligations; (ii) a Prior Reimbursement Agreement; or (iii) a policy of insurance, a letter of credit, a line of credit, a standby bond purchase agreement or other credit arrangement, including a Revenue Enhancement Agreement, providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any General Obligation Bonds.

"Debt Service" means, with respect to any Outstanding Parity Obligations, and for purposes of Section 5.13 of the Agreement any additional Parity Obligations to be issued, and for any Fiscal Year, the sum of: (i) the interest on such Parity Obligations payable during such Fiscal Year (except to the extent that such interest is capitalized); (ii) the principal of such Parity Obligations maturing (including by declared acceleration of maturity) during such Fiscal Year; and (iii) the principal of and premium, if any, of such Parity Obligations coming due during such Fiscal Year by virtue of the mandatory redemption or prepayment of such Parity Obligations whether from mandatory sinking fund account payments or otherwise;

but minus the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for such Parity Obligations;

provided that, as to any such Parity Obligations (other than Credit Support Instruments) bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligations, such Parity Obligations shall be assumed to bear interest at a fixed rate equal to the SIFMA Index as of any date selected by the District which is within 30 days of the date of calculation;

and provided that, as to any such Parity Obligation relating to an advance under a Credit Support Instrument and bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligation, such Parity Obligation shall be assumed to bear interest at a fixed rate equal to the rate applicable to such advance as of the date of calculation;

and provided further that if any such series or issue of Parity Obligations has twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one Fiscal Year, Debt Service on such Parity Obligations shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of Parity Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation;

and provided further that, as to any such Parity Obligations or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Parity Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service;

and provided further that if interest on such Parity Obligations is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009), or any future similar program, then interest payments with respect to such Bonds or Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America;

and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which such debt service reserve fund was established and in each preceding year until such amount is exhausted.

"Defeasance Securities" means and includes any of the following securities, if and to the extent the same are non-allocable and not subject to redemption at the option of the issuer, at the time legal for investment of the District's funds, as determined by the District: direct obligations of, or obligations the full and timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry from on the books of the Department of the Treasury of the United States of America and including a receipt, certificate or any other evidence of a direct ownership interest in future payments of an obligation of, or unconditionally guaranteed by, the United States of America, or in specified portions thereof held by a custodian in safekeeping for the holders of such receipt, certificate or any other evidence of ownership (which may consist of specified portions of interest thereon) which is rated or assessed in the highest rating category of each Rating Agency (without regard to modifiers within a category), but excluding any share of interest in any unitary investment trust or mutual fund unless such unitary investment trust or mutual fund is rated or assessed in the highest rating category of each Rating Agency.

"Delivery Date" means August __, 2026.

"District" and **"IRWD"** means the Irvine Ranch Water District, a California water district, duly organized and existing under and by virtue of the Act.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Electronic Notice" means notice through internet, e-mail or other electronic means of communication.

"Event of Bankruptcy" means any of the following with respect to any Person: (a) the commencement by such person of a voluntary case under the Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or similar laws; (b) failure by such Person to timely controvert the filing of a petition with a court having jurisdiction over such Person to commence an involuntary case against such person under the Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or similar laws; (c) such Person shall admit in writing its inability to pay its debts generally as they become due; (d) a receiver, trustee, custodian or liquidator of such Person or such Person's assets shall be appointed in any proceeding brought against the Person or such Person's assets; (e) assignment of assets by such person for the benefit of its creditors; or (f) the entry by such Person into an agreement of composition with its creditors.

"Facilities" mean all property and rights in property owned by the District, and used by the District in providing water, sewer and/or reclaimed water services, including all facilities included in its water, sewer and reclaimed water systems, rights to water and capacity and other rights or interests in water production, transmission, treatment and disposal facilities as now existing or hereafter acquired or constructed and as the same may be modified and expanded, including all replacements thereof and improvements thereto.

"Federal Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as the same may be amended and supplemented, and any successor statute.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Board of Directors of the District as the Fiscal Year of the District.

"Fitch" means Fitch Ratings, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then "Fitch" shall be deemed to refer to any other nationally recognized municipal securities rating agency rating the Certificates at the request of the District.

"Generally Accepted Accounting Principles" means accounting principles generally accepted in the United States and applied on a consistent basis set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants applicable to a government-owned utility applying all statements and interpretations issued by the Governmental Accounting Standards Board and statements and pronouncements of the Financial Accounting Standards Board which are not in conflict with the statements and interpretations issued by the Governmental Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination.

"General Obligation Bonds" means bonds issued by the District pursuant to the Act and payable from *ad valorem* assessments.

"Government Code" means the California Government Code, as amended.

"Government Contracts" means, collectively: [(i) Agreement No. 7-805-550-0, the Loan Contract, dated February 1, 1988, between the State Water Resources Control Board and the District under the Water Reclamation Loan Program, Clean Water Bond Act of 1984, as amended and supplemented; (ii) Loan Contract No. 0-804-550-0, Water Reclamation Loan Program, Clean Water Bond Act of 1984, Loan Contract, dated June 1, 1990, between the State Water Resources Control Board and the District, as amended and supplemented and (iii) the 1996 Amended and Restated Allen-McColloch Pipeline Sublease, dated as of March 1, 1996, by and between the Municipal Water District of Orange County and the Los Alisos Water District (with respect to whose rights and obligations the District is the legal successor)].

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by the District, and who, or each of whom:

(A) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the District;

(B) does not have a substantial financial interest, direct or indirect, in the operations of the District; and

(C) is not connected with the District as a director, officer or employee of the District, but who may be regularly retained to audit the accounting records of and make reports thereon to the District.

"Independent Financial Consultant" means a financial consultant or firm of such consultants appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; and (3) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto.

"Installment Payments" mean payments to be made by the District pursuant to Section 3.01 of the Agreement, including any delinquent payments.

"Interest Account" means the account in the Certificate Fund by that name established pursuant to Section 5.02 hereof.

"Interest Installments" mean, with respect to the Installment Payments, the interest on the Principal Installments determined at the applicable rate or rates in accordance with the Agreement.

"Interest Payment Date" means each March 1 and September 1, commencing _____ 1, 20__.

"Investment Income" means: (a) the net income and net earnings of the District from the investment of its money, including without limitation investments in securities and in real estate (whether by mortgage, ownership, through interests in partnerships or joint ventures, or otherwise); and (b) interest and other investment income received by the District from the Irvine Ranch Water District Joint Powers Authority.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then "Moody's" shall be deemed to refer to any other nationally recognized municipal securities rating agency rating the Certificates at the request of the District.

"Net Revenues" means, for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"Obligations" means (a) obligations of the District with respect to borrowed money, including bonds, notes or other evidences of indebtedness, installment purchase payments under any contract, and lease payments under any financing or capital lease (determined to be such in accordance with Generally Accepted Accounting Principles), which are payable from Net Revenues, (b) obligations to replenish any debt service reserve fund with respect to obligations described in (a) above, (c) obligations secured by or payable from any of obligations described in (a) above, and (d) Credit Support Agreements payable from Net Revenues.

"Operating Systems" mean the District's systems for providing water, sewer, reclaimed water and surface runoff services and any other utilities and services which the District may provide as the same now exist on the date hereof and as the same may be improved, replaced and expanded.

"Operation and Maintenance Expenses" mean the costs and expenses paid or incurred by the District for operating and maintaining the Operating Systems including, but not limited to: (a) all costs of water generated or purchased by the District for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and repair of, and other expenses necessary or appropriate in the judgment of the District to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by the District to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

"Opinion of Bond Counsel" means an Opinion of Counsel which is a Bond Counsel.

"Opinion of Counsel" means a written opinion of counsel (who may be counsel for the District) selected by the District.

"Outstanding" means: (a) when used as of a particular time with reference to Certificates (subject to the provisions of Section 8.02 hereof) all Certificates delivered hereunder except: (i) Certificates cancelled by the Trustee or surrendered to the Trustee for cancellation; (ii) Certificates paid or deemed to have been paid within the meaning of Section 10.03 hereof; (iii) Certificates in lieu of or in substitution for which replacement Certificates shall have been delivered by the Trustee hereunder; and (b) when used as of any particular time with respect to Obligations other than the Certificates, all such Obligations theretofore or thereupon being issued or incurred, except (i) Obligations theretofore cancelled or surrendered for cancellation; (ii) Obligations paid or deemed to be paid within the meaning of any defeasance provisions of the issuing instrument pursuant such Obligations were issued; and (iii) Obligations in lieu of or in substitution for which replacement Obligations have been issued.

"Owner" means with respect to each Certificate, the Person in whose name such Certificate is registered on the Certificate Register.

"Parity Obligations" means: (i) the Agreement; (ii) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1; (iii) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2; (iv) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A; (v) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B; (vi) the Bonds of Irvine Ranch Water District, Consolidated Series 2026A; (vii) Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B; (viii) the Prior Reimbursement Agreements; (ix) [the State Revolving Loan Contract No. 6-817-550-0, dated June 26, 1997, between the State Water Resources Control Board and the District, as amended and supplemented; and (x)] any other Obligations which are payable from Net Revenues on a parity with the Parity Obligations and issued in accordance with Section 5.13 of the Agreement.

"Participant" means an entity which is recognized as a participant in the book-entry system of maintaining records with respect to the ownership of Book-Entry Certificates by the Securities Depository.

"Paying Agent" means a paying agent for the Certificates appointed pursuant to Section 7.04 hereof.

"Permitted Investments" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the District's funds, as determined by the District:

(i) Defeasance Securities;

(ii) Bonds, debentures, notes, participation certificates or other evidences of indebtedness issued, or the principal of and interest on which are unconditionally guaranteed, by the Federal National Mortgage Association, the Bank for Cooperatives, or the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Federal Land Banks, the Government National Mortgage Association or any other agency or instrumentality of or corporation wholly owned by the United States of America when such obligations are backed by the full faith and credit of the United States of America;

(iii) Obligations of any state of the United States of America or any political subdivision thereof, which at the time of investment are rated "A1/P-1" or higher by Moody's and "A+" or higher by S&P or Fitch; or which are rated by Moody's "VMIG 1"or better and by S&P "A-1" or better and by Fitch "F1" or better, with respect to commercial paper, or "MIG 1," "SP-1+" or "F1+," respectively, with respect to municipal notes;

(iv) Demand deposits, including without limitation, trust accounts, trust funds, overnight bank deposits, interest-bearing deposits, interest-bearing money market accounts, bank time deposits evidenced by certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and Corporation, and bankers' acceptances, issued by any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corp. (including the Trustee or any of its affiliates); provided that (a) such bank, trust company, or national banking association is rated "A1/P-1" or better by Moody's and "A+" or better by S&P or Fitch, or else that all of the securities acquired pursuant to this subsection (iv) are for amounts of $100,000 or less, and with maturities of no longer than 365 days; and, (b) provided that (x) the aggregate of such bank time deposits and bankers' acceptances issued by any bank, trust company or banking association does not exceed at any one time 10% of the aggregate of the capital stock, surplus and undivided profits of such bank, trust company or banking association and that such capital stock, surplus and undivided profits shall not be less than $25,000,000, or else that (y) such deposits are fully and continuously secured by a valid and perfected prior security interest in obligations described in paragraph (i) or (ii) of this definition;

(v) Repurchase or reverse repurchase agreements with any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corp. (including the Trustee or any of its affiliates); provided that such bank, trust company or national banking association is rated "A1" or better by Moody's and "A+" or better by S&P or Fitch, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected priority security interest in obligations described in paragraph (i) or (ii) of this definition;

(vi) Investment agreements with any corporation, including banking or financial institutions, the long-term corporate debt of which is rated, at the time of investment, "A1" or better by Moody's and "A+" or better by S&P or Fitch;

(vii) Guaranteed investment contracts or similar funding agreements issued by insurance companies, the long-term corporate debt of which, at the time of investment, is rated "A1" or better by Moody's and "A+" or better by S&P or Fitch;

(viii) Corporate commercial paper rated "MIG 1" or better by Moody's and "A-1" or better by S&P and "F1" or better by Fitch at the time of investment;

(ix) Shares or interests in taxable government money market portfolios (including any money market mutual funds of the Trustee) restricted to obligations with

maturities of one year or less issues by, or the payment of principal and interest with respect to which is guaranteed by, the United States of America, and which are rated "Aa" or better by Moody's and "AAm" or better by S&P or Fitch at the time of investment;

(x) Investment in money market mutual funds having a rating in the highest investment category granted thereby from S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(xi) Investments in the Local Agency Investment Fund created pursuant to Section 16429.1 of the Government Code; and

(xii) Any other investment that is legal for the investment of the District's funds or, to the extent that any moneys hereunder are held by the Trustee or a fiscal agent and pledged to the payment or security of the Bonds, any other investments which the District deems to be prudent investments and in which the District directs the Trustee or fiscal agent to invest, provided that such investments are either: (i) rated "A"/"A" or better, by at least two of S&P, Fitch and Moody's at the time of such investment; or (ii) are issued by an entity the corporate debt of which is rated "A"/"A" or better, by at least two of S&P, Fitch and Moody's; or (iii) are issued by an insurance company with a claims paying rating of "Aa" or better by Moody's.

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

"Prepayment Fund" means the fund by that name established pursuant to Section 5.06 hereof.

"Principal Account" means the account by that name in the Certificate Fund established pursuant to Section 5.02 hereof.

"Principal Installments" means with respect to the Installment Payments, the amounts designated as such in Exhibit B to the Agreement.

"Principal Office" means, with respect to the Trustee, the designated corporate trust office of the Trustee, which as of the date hereof is located at 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, or, with respect to the presentation of Certificates for surrender, transfer or exchange, the office designated by the Trustee.

"Prior Certificates" means the Certificates of Participation Irvine Ranch Water District Series 2016, executed and delivered pursuant to the Prior Trust Agreement and evidencing

ownership interests in installment payments to be made by the District under the Installment Sale Agreement, dated as of September 1, 2016, between the District and the Corporation.

"Prior Certificates Escrow Agreement" means the Escrow Agreement, dated as of August 1, 2026, among the District, the Corporation and the Prior Trustee, as escrow agent.

"Prior Installment Contract" means the Agreement for Acquisition and Construction, dated as of November 1, 1990, by and among County Sanitation District No. 1 of Orange County, California, County Sanitation District No. 2 of Orange County, California, County Sanitation District No. 3 of Orange County, California, County Sanitation District No. 5 of Orange County, California, County Sanitation District No. 6 of Orange County, California, County Sanitation District No. 7 of Orange County, California, County Sanitation District No. 11 of Orange County, California, County Sanitation District No. 13 of Orange County, California, County Sanitation District No. 14 of Orange County, California, as amended and supplemented.

"Prior Reimbursement Agreements" means collectively: (i) the Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Sumitomo Mitsui Banking Corporation, as amended and supplemented (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A); (ii) the Reimbursement Agreement, dated as of April 1, 2025, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009A); (iii) the Amended and Restated Reimbursement Agreements, dated as of April 1, 2011, between IRWD and Bank of America, N.A, as amended and supplemented (relating to the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009B); (iv) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Refunding Series 2011A-1); (v) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Refunding Series 2011A-2); (vi) the Reimbursement Agreement, dated as of July 1, 2025, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A); and (vii) the Reimbursement Agreement, dated as of August 1, 2026, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Consolidated Series 2026A).

"Prior Trust Agreement" means the Trust Agreement, dated as of September 1, 2016, among the District, the Corporation and the Prior Trustee.

"Prior Trustee" means U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association.

"Property" means the additions, betterments, modifications and improvements to the Facilities generally described in Exhibit A to the Agreement. The District may substitute other improvements for those listed as components of the Property in Exhibit A to the Agreement, but only if the District first files with the Trustee a statement of the District: (a) identifying the improvements to be substituted and the improvements to District facilities that they replace in the Property, as applicable; and (b) stating that the estimated costs of construction, acquisition and installation of the substituted improvements are not less than such costs for the improvements previously planned.

"Rating Agencies" means, as of any date, each of the following entities which, as of such date, is providing a rating on the Certificates at the request of the District: Fitch, S&P and Moody's, and their respective corporate successors and any other nationally recognized statistical rating organization (as that term is used in the rules and regulations of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended) providing a rating on the Certificates at the request of the District.

"Rebate Fund" means the fund designated as the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Rebate Fund" established in Section 5.08 hereof.

"Rebate Instructions" means those calculations and written directions required to be delivered to the Trustee by the District pursuant to Section 6.03 hereof.

"Rebate Requirement" means the Rebate Requirement as defined in the Tax Certificate.

"Record Date" means, with respect to each Interest Payment Date for the Certificates, the fifteenth day of the month preceding the month in which such Interest Payment Date falls.

"Refunding Test Period" means, with respect to the issuance of additional Parity Obligations pursuant to Section 5.13(b) of the Agreement for refunding purposes, each Fiscal Year from and including the Fiscal Year in which such additional Parity Obligations are to be issued to and including the latest Fiscal Year in which Debt Service is payable on the Parity Obligations Outstanding immediately prior to the issuance of such additional Parity Obligations.

"Representation Letter" means the letter of representation to The Depository Trust Company, New York, New York, from the District.

"Reserve Fund" means the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Reserve Fund" established pursuant to Section 5.07 of this Trust Agreement.

"Reserve Requirement" shall be $0; provided that: (i) if Unrestricted Cash at the end of any Fiscal Year is less than Aggregate Debt Service for the next succeeding Fiscal Year, the Reserve Requirement for such succeeding Fiscal Year shall equal 50% of the Installment Payments due in such Fiscal Year; and (ii) if the Reserve Requirement is being determined pursuant to clause (i) and Unrestricted Cash at the end of the Fiscal Year exceeds Aggregate Debt Service for the next succeeding Fiscal Year for two successive Fiscal Years, the Reserve Requirement for the Fiscal Year following such second successive Fiscal Year shall return to $0.

"Revenue Enhancement Agreement" means an agreement between the District and the Trustee for an issue of General Obligation Bonds, pursuant to which the District agrees to pay principal, interest and/or purchase price of such General Obligation Bonds from Net Revenues on the terms and conditions set forth in such agreement.

"Revenue Fund" means, collectively, funds into which Utility Rates and Charges and Investment Income are deposited and held including any successor funds and accounts.

"Revenues" mean all Utility Rates and Charges and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District's share of the Orange County, California one percent ad valorem property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, (ii) any proceeds of taxes or ad valorem assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) water, sewer and reclaimed water rates and charges levied in lieu of ad valorem assessments pursuant to Sections 36425 and 35975 of the Act.

"S&P" means S&P Global Ratings, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then "S&P" shall be deemed to refer to any other nationally recognized municipal securities rating agency rating the Certificates at the request of the District.

"Secured Bonds" mean bonds of the District secured by a pledge of the District's share of the Orange County 1% general ad valorem property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002.

"Securities Depository" means, with respect to the Certificates, DTC and its corporate successors or if (a) DTC or any successor as depository for the Certificates appointed pursuant to Section 2.09 resigns from its functions as depository for the Certificates, or (b) the District discontinues use of the then incumbent Securities Depository for the Certificates pursuant to Section 2.09(b) hereof, any other securities depository which agrees to follow the procedures required to be followed by a securities depository for the Certificates.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"**SIFMA**" means the Securities Industry and Financial Markets Association, its successors and assigns.

"**SIFMA Index**" means, with respect to any date, the "SIFMA Municipal Swap Index" (such index previously known as the "BMA Municipal Swap Index") announced by Municipal Market Data on such date and based upon the weekly interest rate resets of Tax-Exempt variable rate issues included in a database maintained by Municipal Market Data which meets specified criteria established by SIFMA. If for any reason the SIFMA Index for any date is not announced or is otherwise unavailable on the applicable date, the SIFMA Index for such date shall be the SIFMA Index for the next preceding date within the preceding 180 days on which the SIFMA Index was available. If for any reason the SIFMA Index for any date is not announced or is otherwise unavailable on any date in the immediately preceding 180 days, the SIFMA Index for such date shall be an index selected by the District which is a composite of bid-side yields of obligations (a) which (i) provide for a weekly adjustment of the interest rate, and (ii) which (A) must be purchased on demand of the owner thereof at any time upon notice of up to seven (7) days or (B) are payable in full not later than seven (7) days after the date of evaluation and (b) the interest on which is Tax-Exempt and is not subject to any personal "alternative minimum

tax" or similar tax under the Code unless all Tax-Exempt securities are subject to such tax. If no such index is so selected by the District, the SIFMA Index for the applicable date shall be an index computed by the District which shall be equal to 95% of the yield applicable to 91-day United States Treasury bills, such yield to be computed on the basis of the coupon equivalent of the average per annum discount rate at which such Treasury bills shall have been sold at the most recent Treasury auction conducted prior to the applicable date.

"State" means the State of California.

"Subordinate Obligations" means all Obligations other than Parity Obligations, including but not limited to amounts due under the Prior Installment Contract and the Government Contracts.

"Supplemental Trust Agreement" means any trust agreement then in full force and effect which has been duly executed and delivered by the Corporation and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized hereunder.

"Tax Certificate" means the Tax Certificate and Agreement concerning certain matters pertaining to the use and investment of proceeds of the Certificates, executed and delivered by the District and the Corporation on the date of delivery of the Certificates, including any and all exhibits attached thereto.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the Interest Installments evidenced by the Certificates, that such interest is excluded from gross income for federal income tax purposes (other than in the case of a holder of any such obligation who is a substantial user of the facilities financed with such obligations or a related person within the meaning of Section 147(a) of the Code) whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

"Test Period" means, with respect to a calculation of Aggregate Debt Service in connection with the issuance of additional Parity Obligations pursuant to Section 5.13(a)(2) of the Agreement, the period from and including the Applicable Fiscal Year for the issuance of such additional Parity Obligations to and including the first complete Fiscal Year after the latest date of operation of any project being financed or refinanced with the proceeds of such additional Parity Obligations.

"Trust Agreement" means this Trust Agreement, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements.

"Trust Agreement Event of Default" means an event described in Section 9.01 of this Trust Agreement.

"Trustee" means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America, or any other

association or corporation which may at any time be substituted in its place as provided in Section 7.01 hereof.

"Unrestricted Cash" means funds held by or on behalf of the District and available to pay Debt Service.

"Utility Rates and Charges" means all water, sewer and reclaimed water rates and charges imposed by the District in connection with providing water, sewer and reclaimed water services to retail customers through the Facilities, including commodity, service, standby, material treatment and connection charges, except: (i) such water, sewer and reclaimed water rates and charges levied in lieu of ad valorem assessments pursuant to Sections 36425 and 35975 of the Act; and (ii) customer deposits.

Section 1.02 Rules of Construction. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

References in this Trust Agreement and the Agreement to the principal or principal amount of Certificates shall refer to the amount of Principal Installments evidenced by such Certificates. References in this Trust Agreement and the Agreement to interest on Certificates or interest borne by Certificates shall refer to the Interest Installments evidenced by such Certificates.

The term "issue" and any variant thereof, when used in connection with any Parity Obligation, shall be construed to mean both the issuance of such Parity Obligation by the District and the execution and delivery by the District of any agreement constituting the Parity Obligation.

ARTICLE II

THE CERTIFICATES

Section 2.01 The Certificates. The Trustee is hereby authorized and directed to execute and deliver the Certificates in the aggregate principal amount of $_____. The Certificates shall be designated "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026."

Each Certificate evidences the undivided proportionate ownership interests of the Owners thereof in the Principal Installment with a payment date corresponding to the maturity of such Certificate and all Interest Installments with respect to such Principal Installment.

Section 2.02 General Terms of the Certificates. (a) The Certificates shall be dated the Delivery Date. Each Certificate shall mature (subject to prior prepayment or acceleration of the related Principal Installments) on the due date of the Principal Installment evidenced by such

Certificate. Interest on each Certificate shall accrue at the rate per annum established for the Principal Installment evidenced by such Certificate as set forth in the Agreement.

(b) The Certificates shall be delivered only in Authorized Denominations. The Certificates shall be delivered in substantially the form set forth in Exhibit A of this Trust Agreement with such variations, insertions or omissions as are appropriate and not inconsistent therewith and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto. The Certificates shall be numbered from one upward and may bear such additional letters, numbers, legends or designations as shall be approved by the District. The Certificates may be printed, lithographed or typewritten.

(c) Payment of that portion of each Interest Installment evidenced by each Certificate shall be made in lawful money of the United States of America on each Interest Payment Date to the Person appearing on the Certificate Register as the Owner thereof on the applicable Record Date, such interest to be paid (i) by check mailed by first class mail on the Interest Payment Date, to such Owner's address as it appears on the Certificate Register or at such other address as has been furnished to the Trustee in writing by such Owner not later than three Business Days prior to the applicable Record Date, or (ii) upon written request at least three Business Days prior to the applicable Record Date, to the Owner of Outstanding Certificates aggregating not less than $1,000,000 in principal amount, by wire transfer in immediately available funds to an account maintained in the United States as such Owner shall specify in its written notice; except, in each case, that if and to the extent that there shall be a default in the payment of the Interest Installment due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose name any such Certificates are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest. The Principal Installments evidenced by each Certificate and any premium thereon due upon the payment or prepayment thereof shall be payable in lawful money of the United States of America by check of the Trustee upon surrender thereof at the Principal Office of the Trustee or by wire transfer.

Section 2.03 Execution of Certificates. The Certificates shall be executed by the Trustee by the manual signature of an authorized officer or signatory of the Trustee.

Section 2.04 Transfer and Payment of Certificates. Any Certificate may, in accordance with its terms, be transferred in the Certificate Register by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificates at the Principal Office of the Trustee for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver to the transferee a new Certificate or Certificates of the same maturity date evidencing a like aggregate principal amount of Principal Installments and in Authorized Denominations. The Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege. Services rendered and reasonable expenses incurred by the Trustee, including the cost of printing any new Certificate, in connection with a transfer pursuant to this Section shall be paid by the District.

The Trustee may deem and treat the registered owner of any Certificates as the absolute owner of such Certificates for the purpose of receiving payment of the principal and interest and prepayment premium, if any, evidenced thereby and for all other purposes, whether such Certificates shall be overdue or not, and the Trustee shall not be affected by any notice or knowledge to the contrary; and payment of the interest and principal and prepayment premium, if any, evidenced by such Certificates shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Certificates to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of any Certificate during the period commencing on the date 15 days preceding the selection of Certificates for prepayment and ending on the date of mailing of notice of such prepayment, or any Certificate which has been selected for prepayment in whole or in part, from and after the day of mailing of a notice of prepayment of such Certificates selected for prepayment in whole or in part.

Section 2.05 Exchange of Certificates. Certificates may be exchanged at the Principal Office of the Trustee for Certificates evidencing a like aggregate amount of Principal Installments, of the same maturity date and of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. Services rendered and reasonable expenses incurred by the Trustee, including the cost of printing any new Certificate, in connection with an exchange pursuant to this Section shall be paid by the District.

The Trustee shall not be required to exchange any Certificate during the period commencing on the date 15 days preceding the selection of Certificates for prepayment and ending on the date of mailing of notice of such prepayment, or any Certificate which has been selected for prepayment in whole or in part, from and after the day of mailing of a notice of prepayment of such Certificates to the date of prepayment thereof.

Section 2.06 Certificate Register. The Trustee will keep at its Principal Office sufficient books for the registration and transfer of the Certificates which shall at all times be open to inspection by the District and the Corporation during regular business hours with reasonable prior notice, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Certificates in such books as hereinabove provided.

Section 2.07 Mutilated, Destroyed, Stolen or Lost Certificates. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner, shall thereupon execute and deliver a new Certificate of like tenor and amount in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be cancelled and destroyed.

If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner,

shall thereupon execute and deliver a new Certificate of like tenor in lieu of and in substitution for the Certificate so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Certificate delivered under this Section and of the expenses which may be incurred by the District and the Trustee in the premises. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same.

Section 2.08 Temporary Certificates. The Certificates executed and delivered under this Trust Agreement may be initially executed and delivered in temporary form exchangeable for definitive Certificates when ready for delivery. The temporary Certificates may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Certificate shall be executed and delivered by the Trustee, upon the same conditions and terms and in substantially the same manner as definitive Certificates. If the Trustee executes and delivers temporary Certificates, it will execute and furnish definitive Certificates and thereupon the temporary Certificates may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Certificates definitive Certificates evidencing an equal aggregate amount of Principal Installments, of the same maturity date and of Authorized Denominations. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under this Trust Agreement as definitive Certificates delivered hereunder.

Section 2.09 Use of Book-Entry System for Certificates.

(a) The Certificates initially shall be delivered in the form of a single executed fully registered securities certificate for each maturity, in the full principal amount of the Certificates set forth in Section 2.01. Upon initial delivery, the ownership of all such Certificates shall be registered in the Certificate Register in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee may treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name for the purposes of payment of the principal or prepayment price and interest on such Certificates, selecting the Certificates or portions thereof to be prepaid, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of Certificates, obtaining any consent or other action to be taken by Owners of the Certificates and for all other purposes whatsoever; and the Trustee shall not be affected by any notice to the contrary. The Trustee, the District and the Corporation shall not have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any

person claiming a beneficial ownership interest in the Certificates under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner of Certificates, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal amount or prepayment price of or interest on the Certificates (iii) any notice which is permitted or required to be given to Owners of Certificates hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial prepayment of the Certificates, or (v) any consent given or other action taken by DTC as Owner of Certificates. The Trustee shall pay all principal amount and prepayment price of and interest on the Certificates only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the principal amount and prepayment price of and interest on the Certificates to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Certificates will be transferable to such new nominee in accordance with subsection (c) of this Section.

(b) In the event that the District determines that the beneficial owners of the Certificates should obtain securities certificates, the Trustee shall, upon the written instruction of the District, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of securities certificates. In such event, the Certificates will be transferable in accordance with subsection (c) of this Section. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice of such discontinuance to the District and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Certificates will be transferable in accordance with subsection (c) of this Section. Whenever DTC requests the District and the Trustee to do so, the Trustee and the District will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Certificates then Outstanding. In such event, the Certificates will be transferable to such Securities Depository in accordance with subsection (c) of this Section, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(c) In the event that any transfer or exchange of Certificates is authorized under subsection (a) or (b) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the Owner of the Certificates to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.04 and 2.05 hereof. In the event securities certificates are delivered to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Certificates, another Securities Depository as Owner of all the Certificates, or the nominee of such successor Securities Depository, the provisions of Sections 2.04 and 2.05 hereof shall also apply to, among other things, the registration, exchange and transfer of the Certificates and the method of payment of principal amount and prepayment price of and interest on the Certificates.

ARTICLE III

DELIVERY OF CERTIFICATES

Section 3.01 Delivery of Certificates. The Trustee is hereby authorized to execute and deliver the Certificates to the initial purchaser thereof upon the written direction of the District and upon receipt by the Trustee of the proceeds of the sale of the Certificates.

Section 3.02 Application of Proceeds. Upon receipt of the net proceeds of the sale of the Certificates from the initial purchaser thereof, in the amount of $_____ (representing a sale price of $_____ (which consists of an aggregate principal amount of Certificates of $_____, [plus net original issue premium of $_____,] less an underwriters' discount of $_____), less an amount of $_____ wired directly to the Prior Trustee for deposit in the escrow fund established under the Prior Certificates Escrow Agreement), the Trustee shall transfer, in one or more transfers, such proceeds as follows:

(a) To the District for deposit in the Construction Fund, the sum of $_____; and

(b) To the District for deposit in the Costs of Delivery Fund, the sum of $_____.

The Trustee may establish a temporary fund in its records to record and facilitate such transfers.

Section 3.03 Establishment and Application of Costs of Delivery Fund. There is hereby established and created in the treasury of the District a separate fund designated as the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Costs of Delivery Fund" (the "Costs of Delivery Fund"). Moneys deposited in said fund shall be used to pay Costs of Delivery with respect to the Certificates. The District shall maintain a record of payment from the Costs of Delivery Fund including the Person to whom payment was made, the amount paid and the purpose for which the payment was made. At the end of ninety (90) days from the date of initial execution and delivery of the Certificates, or upon earlier determination by of the District that amounts in said fund are no longer required for the payment of Costs of Delivery, the Costs of Delivery Fund shall be terminated and any amounts then remaining in said fund shall be transferred to the Trustee for deposit in the Interest Account and applied to the payment of interest on the Certificates.

Section 3.04 Construction Fund.

(a) There is hereby established and created a fund in the treasury of the District to be designated "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Construction Fund" (the "Construction Fund").

(b) All moneys on deposit in the Construction Fund shall be applied by IRWD exclusively for the payment of costs of the Property.

(c) When the construction of the works and facilities have been completed or upon the decision of IRWD to terminate such construction, IRWD shall deliver to the Trustee a certificate of IRWD stating: (a) that the construction of the works and facilities have been completed or terminated, (b) the date of such completion or termination of such construction, (c) that all of the costs of the Property that are to be paid have been paid (or that all such costs of the Property have been paid less specified claims which are subject to dispute and for which a retention in the Construction Fund is to be maintained in the full amount of such claims until such dispute is resolved) and (d) the remaining balance of money in the Construction Fund. In addition, IRWD shall transfer an amount equal to any remaining balance of money in the Construction Fund to the Trustee for deposit in the Certificate Fund to be applied by the Trustee for payments due on the Certificate.

Section 3.05 Validity of Certificates. The validity of the authorization, execution and delivery of the obligations which the Certificates evidence is not dependent on and shall not be affected in any way by any proceedings taken by the District, the Corporation or the Trustee with respect to or in connection with the Agreement. The recital contained in the Certificates that all acts, conditions and things required by the Constitution and statutes of the State of California to exist, to have happened and to have been performed precedent to and in the delivery thereof shall be conclusive evidence of their validity and the validity of the obligations which they represent and of compliance with the provisions of law in their execution and delivery.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

Section 4.01 Terms of Prepayment. The Certificates maturing on and after March 1, 20__ are subject to prepayment prior to their respective maturity dates, at the option of the District, in whole or in part (in such amounts as may be specified by the District) on any day on and after _____ 1, 20__ at a prepayment price equal to the principal amount of Certificates called for prepayment, plus unpaid, accrued interest to the date fixed for prepayment, without premium.

Section 4.02 Notice and Selection of Certificates for Prepayment. (a) Notice of prepayment of Certificates shall be given by first class mail, postage prepaid, by the Trustee to the Owners of any Certificates designated for prepayment in whole or in part and to the Securities Depository no less than 30 days nor more than 60 days prior to the prepayment date. Each notice of prepayment shall state the prepayment date, the place of prepayment and the prepayment price, the maturity date or dates of the Certificates to be prepaid and shall designate the numbers of the Certificates to be prepaid if less than all of the Outstanding Certificates of a maturity are to be prepaid, and shall (in the case of any Certificate called for prepayment in part only) state the portion of the principal amount thereof which is to be prepaid. In addition, subject to the provisions of subsection (b) of this Section, such notice of prepayment shall state that the interest with respect to the Certificates or portions thereof designated for prepayment shall cease to accrue from and after such prepayment date and that on such prepayment date there will become due and payable with respect to each of the Certificates or portions thereof designated

for prepayment the prepayment price thereof. The failure of any Owner to receive such notice will not affect the validity of the prepayment of any Certificates.

(b) With respect to any notice of any optional prepayment with respect to the Certificates, unless at the time such prepayment notice is given the Owners of the Certificates to be prepaid, the Trustee shall hold sufficient moneys available for such purpose to pay in full the prepayment price of the Certificates to be prepaid, such notice shall state that such prepayment is conditional upon receipt by the Trustee, on or prior to the date fixed for such prepayment, of sufficient moneys available for such purpose to pay in full the prepayment price of the Certificates to be prepaid, and that if such moneys shall not have been so received said notice shall be of no force and effect and the District shall not be required to prepay such Certificates. In the event a notice of prepayment with respect to the Certificates contains such a condition and such moneys are not so received, the prepayment of Certificates as described in the conditional notice of prepayment shall be cancelled and the Trustee shall, within a reasonable time after the date on which such prepayment was to occur, give notice to the persons who received such notice of prepayment and in the manner in which the notice of prepayment was given, that such moneys were not so received and that there shall be no prepayment of the Certificates pursuant to such notice of prepayment.

(c) The Trustee shall give notice of prepayment of any Certificates to be prepaid, as provided herein, upon receipt of notice from the District, which notice shall be given to the Trustee at least 15 calendar days prior to the date the notice of prepayment described in subsection (a) of this Section must be given to the Owners (unless the Trustee shall agree to a shorter period).

(d) Any notice mailed to an Owner as provided herein will be conclusively presumed to have been given, whether or not actually received by any Owner. The insufficiency of any such notice shall not affect the sufficiency of the proceedings for prepayment.

(e) Whenever provision is made in this Trust Agreement for the prepayment of Certificates with prepayments of Principal Installments made at the option of the District, the principal amount of Certificates of each maturity to be prepaid shall be the principal amount of Certificates evidencing such prepaid Principal Installments. Whenever provision is made in this Trust Agreement for the prepayment of less than all of the Certificates of a maturity, the Trustee shall select the Certificates of such maturity to be prepaid, from all Certificates of such maturity subject to prepayment and not previously called for prepayment, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair.

ARTICLE V

FUNDS AND ACCOUNTS

Section 5.01 Installment Payments Held in Trust. The Installment Payments shall be held in trust by the Trustee for the benefit of the Owners from time to time of the Outstanding Certificates, but shall nonetheless be disbursed, allocated and applied solely for the uses and purposes provided herein.

Section 5.02 Deposit of Installment Payments. The Trustee hereby agrees to establish, maintain and hold in trust, the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Certificate Fund" (the "Certificate Fund") to consist of an Interest Account and a Principal Account. All Installment Payments received by the Trustee from the District pursuant to Section 4.02(c) of the Agreement, including delinquent Installment Payments, shall be immediately deposited as provided in Section 5.03. Moneys received as Installment Payments by the Trustee shall be allocated first to Interest Installments then due, then to Principal Installments then due and then to reimburse the Reserve Fund for any withdrawals caused by the delinquent payment of Installment Payments. All money in the Certificate Fund shall be held in trust by the Trustee for the benefit of the Owners of the Outstanding Certificates and shall be applied, used and withdrawn only for the purposes hereinafter provided.

Section 5.03 Application of Money in the Certificate Fund. The Installment Payments to be deposited into the Certificate Fund shall be deposited into the following respective accounts in the Certificate Fund, in the following order of priority:

First: To the Interest Account, an amount such that the balance in the Interest Account available for such payment is equal to the aggregate amount of interest becoming due and payable with respect to the Outstanding Certificates on the next succeeding Interest Payment Date.

Second: To the Principal Account, an amount such that the balance in the Principal Account is equal to the aggregate principal amount of Outstanding Certificates coming due on the next succeeding due date for principal of the Certificates.

Third: To the Reserve Fund, an amount such that the balance in the Reserve Fund is equal to the Reserve Requirement.

Section 5.04 Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying to the Owners of the Outstanding Certificates the Interest Installments of the Installment Payments evidenced by such Certificates as the same become due and payable.

Section 5.05 Application of Principal Account. (a) All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying to the Owners of the Outstanding Certificates the Principal Installments of the Installment Payments evidenced by such Certificates as the same become due and payable.

(b) On each maturity date for a Certificate, the Trustee shall apply the amount in the Principal Account representing the Principal Installment evidenced by such Certificate to the payment of the maturing principal of such Certificate.

(c) On each date on which principal of Outstanding Certificates is due, other than the maturity dates for Certificates, the Trustee shall apply the amount in the Principal Account representing the Principal Installments evidenced by such Certificates to the payment of the principal of the Certificates then due.

Section 5.06 Prepayment Fund. (a) The Trustee hereby agrees to establish, maintain and hold in trust, the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Prepayment Fund" (the "Prepayment Fund"). Unless the District directs that such prepayment be applied as a credit against specified required deposits to the Certificate Fund, all prepayments of Principal Installments made by the District pursuant to Section 3.02 of the Agreement shall be deposited in the Prepayment Fund.

(b) All amounts deposited in the Prepayment Fund shall be applied, as directed by the District, to the prepayment of Certificates at the option of the District, the purchase of Certificates, or the provision for the payment of Certificates as provided in Section 10.01.

(c) If no directions are given by the District with respect to a prepayment of Installment Payments pursuant to Section 3.02 of the Agreement, the Trustee shall apply such prepayment to prepaying Certificates subject to prepayment on the earliest practicable date on which such Certificates are subject to prepayment and as to which notice of prepayment can be given, all in accordance with Article IV hereof. The Trustee shall pay the prepayment price of the Certificates to be prepaid pursuant to this subsection (c) from amounts in the Prepayment Fund.

Section 5.07 Reserve Fund.

The Trustee hereby agrees to establish, maintain and hold in trust, the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Reserve Fund" (the "Reserve Fund"). The Trustee hereby agrees and covenants to maintain the Reserve Fund at the Reserve Requirement so long as the Agreement has not been discharged in accordance with its terms or any Certificates remain Outstanding hereunder. The Trustee shall deposit in the Reserve Fund all delinquent payments of Installment Payments as provided in Section 5.02 and all payments by the District pursuant to Section 3.03 of the Agreement. Moneys on deposit in the Reserve Fund shall be transferred by the Trustee to the Certificate Fund to pay principal of and/or interest with respect to the Certificates on each date when such principal and/or interest is due and payable in the event amounts on deposit in the applicable account in the Certificate Fund are insufficient for such purposes. All investments in the Reserve Fund shall be valued on January 15 of each year beginning January 15, 2027 and amounts on deposit in the Reserve Fund in excess of the Reserve Requirement upon such valuation shall, at the written direction of the District, be withdrawn from the Reserve Fund and transferred to the District.

Section 5.08 Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Rebate Fund" (the "Rebate Fund"). Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with the terms of the Tax Certificate as directed in writing by the District. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for

payment to the government of the United States of America. No party, including without limitation the District, the Corporation, the Trustee, or the Owners of the Certificates shall have any rights in or claim to such money other than the United States of America. The Trustee shall deposit in the Rebate Fund all amounts transferred by the District for such purpose pursuant to the Tax Certificate. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the District, including supplying all necessary information in the manner provided in the Tax Certificate, and shall have no liability or responsibility to enforce compliance by the District with the terms of the Tax Certificate.

(b) Upon the District's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the District if and to the extent required, so that the balance of the Rebate Fund after such deposits shall equal the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the District in accordance with the Tax Certificate.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section other than from moneys held in the Rebate Fund or from other moneys provided to it by the District.

(d) The Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments as directed in writing by the District, which directions shall be in compliance with the restrictions set forth in the Tax Certificate (which the Trustee is not required to monitor or verify). Money shall not be transferred from the Rebate Fund except as provided in paragraph (e) below.

(e) Upon receipt of the District's written directions, the Trustee shall remit part or all of the balance in the Rebate Fund to the United States, as so directed. In addition, if the District so directs, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the District's written directions; provided, however, only moneys in excess of the Rebate Requirement may be transferred out of the Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Rebate Fund after prepayment and payment of all of the Certificates and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the District.

(f) Notwithstanding any other provision of this Trust Agreement, including in particular Article X hereof, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section and the District's obligation to comply with the Tax Certificate, the Tax Certificate shall survive the payment in full or provisions for the payment in full of all Installment Payments and the Certificates as provided in the Agreement and this Trust Agreement.

Section 5.09 Deposit and Investments of Money in Accounts and Funds. (a) All money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the written direction of the District (which shall be in compliance with Section 6.03 hereof) filed with the Trustee, which Permitted Investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. The Trustee shall have no liability or responsibility for any loss or depreciation resulting from any investment made in accordance herewith; provided, money in the Reserve Fund shall not be invested in any investment with a maturity extending beyond five years of the time of such investment. The Trustee shall be entitled to rely conclusively on all written instructions provided by the District hereunder, and shall have no duty to monitor the compliance thereof with the restrictions set forth herein. If no such direction of the District is received by the Trustee, the Trustee shall hold such money uninvested pending its receipt of written instructions from the District. Subject to Section 6.03 hereof, all interest or profits received on any money in any fund or account hereunder other than the Rebate Fund, so invested shall be deposited in the Certificate Fund and provided that pursuant to Section 4.03 of the Agreement, all interest or profits received from moneys or deposits in the Revenue Fund shall be credited in such fund and applied only to the purposes permitted for such fund.

(b) The Corporation and the District acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Corporation or the District the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the Corporation and the District specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Corporation and the District monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

(c) The Trustee or any of its affiliates may act as principal or agent, sponsor, advisor, principal, agent or manager in connection with any investments made by the Trustee hereunder. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall maintain separate records relating to the investments for fund or account.

(d) The Trustee shall not be liable for any loss or depreciation from any Permitted Investments acquired, held or disposed of in compliance with this Section. The Trustee shall not be liable to the District or the Corporation in the event that any investment made in accordance with the written instructions of the District shall cause the Bonds to become arbitrage bonds within the meaning of Section 148 of the Code.

Section 5.10 Assignment to Trustee. The Corporation has transferred, assigned and set over to the Trustee all of the Installment Payments and any and all rights and privileges it has under the Agreement, including, without limitation, the right to collect and receive directly all of the Installment Payments and the right to enforce the provisions of the Agreement. Any Installment Payments collected or received by the Corporation shall be deemed to be held, and to have been collected or received, by the Corporation as the agent of the Trustee, and shall forthwith be paid by the Corporation to the Trustee.

ARTICLE VI

COVENANTS

Section 6.01 Compliance with Trust Agreement. The Trustee will not execute or deliver any Certificates in any manner other than in accordance with the provisions hereby. Each of the District and the Corporation will not suffer or permit any default by it to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements and covenants to be observed or performed by it contained herein and in the Certificates.

Section 6.02 Observance of Laws and Regulations. The District, the Corporation and the Trustee will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 6.03 Tax Covenants.

(a) Each of the District and the Corporation hereby covenants and agrees that, notwithstanding any other provisions of this Trust Agreement, it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-Exempt status of the Interest Installments evidenced by the Certificates under Section 103 of the Code. Neither the District nor the Corporation shall, directly or indirectly, use or permit the use of proceeds of the Certificates or any of the property financed with proceeds of the Certificates, or any portion thereof, by any person other than a governmental unit (as such term is used in Section 141 of the Code), in such manner or to such extent as would adversely affect the Tax-Exempt status of interest on the Certificates.

(b) Each of the District and the Corporation covenants and agrees that it shall not take any action, or fail to take any action, if any such action or failure to take action would cause the Certificates to be "private activity bonds" within the meaning of Section 141 of the Code, and in furtherance thereof, shall not make any use of the proceeds of the Certificates or any of the property financed with proceeds of the Certificates, or any portion thereof, or any other funds of the District or the Corporation, that would cause the Certificates to be "private activity bonds" within the meaning of Section 141 of the Code. To that end, so long as any Certificates are Outstanding, each of the District and the Corporation, with respect to such proceeds and property and such other funds, will comply with applicable requirements of the Code and all regulations of the United States Department of the Treasury issued thereunder, to the extent such requirements are, at the time, applicable and in effect. The District shall establish reasonable procedures necessary to ensure continued compliance with Section 141 of the Code and the continued qualification of the Certificates as "governmental bonds."

(c) Each of the District and the Corporation covenants and agrees that it shall not, directly or indirectly, use or permit the use of any proceeds of any Certificates, or of any property financed or refinanced thereby, or other funds of the District or the Corporation, or take or omit to take any action, that would cause the Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, each of the District and Corporation shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent such requirements are, at the time, in effect and applicable to the Certificates.

(d) Each of the District and the Corporation covenants and agrees that it shall not make any use of the proceeds of the Certificates or any other funds of the District or the Corporation, or take or omit to take any other action, that would cause the Certificates to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(e) In the event that at any time the District is of the opinion that, in order to comply with its obligations under this Section, it is necessary or helpful to restrict or limit the yield on the investment of any moneys in any of the funds or accounts held by the Trustee pursuant to this Trust Agreement, the District shall so instruct the Trustee in writing, and cause the Trustee to take such action as may be necessary in accordance with such instructions.

(f) Notwithstanding any provisions of this Section, if the District shall provide to the Trustee an Opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of Interest Installments of the Installment Payments under Section 103 of the Code, the District, the Corporation and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants and agreements in this Section shall be deemed to be modified to that extent.

(g) In furtherance of the foregoing tax covenants and agreements in this Section, and without limitation the generality thereof, each of the District and the Corporation covenants and agrees that it will comply with the provisions of the Tax Certificate, which is incorporated herein as if fully set forth herein.

(h) Notwithstanding any other provisions of this Trust Agreement, including in particular Article X hereof, the covenants and agreements in this Section shall survive payment in full or provision for the payment in full of the Installment Payments and the Certificates as provided in the Agreement and this Trust Agreement.

Section 6.04 Accounting Records and Reports. The Trustee will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions made by the Trustee relating to the receipts, disbursements, allocation and application of the Installment Payments and the proceeds of the Certificates, and such books shall be available for inspection by the District at reasonable hours, upon reasonable written notice and under reasonable conditions. Not more than nine months after the close of each Fiscal

Year, the Trustee shall furnish or cause to be furnished to the District a complete financial statement covering receipts, disbursements, allocation and application of Installment Payments received by the Trustee for such Fiscal Year. The District shall keep or cause to be kept such information as required under the Tax Certificate.

Section 6.05 Prosecution and Defense of Suits. The District will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Installment Payments and the proceeds of the Certificates or to the extent involving the failure of either the District or the Corporation to fulfill its obligations hereunder; provided that the Trustee or any affected Owner at its election may appear in and defend any such suit, action or proceeding. The District will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by either the District or the Corporation, and will indemnify and hold harmless the Trustee against any attorney's fees and expenses or other expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the active or passive negligence, willful misconduct or breach of duty by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Certificates secured hereby may have been fully paid and satisfied or the Trustee has resigned or been removed.

Section 6.06 Amendments to Agreement. The District and the Corporation shall not supplement, amend, modify or terminate any of the terms of the Agreement, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee, which such consent of the Trustee shall be given if requested by the District. The Trustee will give such consent only if such supplement, amendment or modification does not materially adversely affect the interests of the Trustee and (a) such supplement, amendment, modification or termination will not materially adversely affect the interests of the Owners as evidenced by an Opinion of Counsel delivered to the Trustee or (b) the Trustee first obtains the written consent of the Owners of Outstanding Certificates evidencing a majority in aggregate amount of the unpaid Principal Installments to such supplement, amendment, modification or termination; provided, however, that no such supplement, amendment, modification or termination shall reduce the amount of Installment Payments to be made by the District pursuant to the Agreement, or extend the time for making such Installment Payments in any manner that would require the consent of Certificate Owners pursuant to Section 8.01(b) hereof in any manner not in compliance with Section 8.01 hereof.

Section 6.07 Recording and Filing. To the extent required by law, the District shall, at the expense of the District, file, record, register, renew, refile and rerecord all such documents, including financing statements (or continuation statements in connection therewith), all in such manner, at such times and in such places as may be required and to the extent permitted by law in order to fully perfect, preserve and protect the security of the Owners and the rights and interests of the Trustee; provided, however, that as secured party the Trustee will not be required to execute a special or general consent to service of process, or to qualify as a foreign corporation in connection with any such filing, recording, registration, refiling or rerecording in any jurisdiction in which it is not now so subject and shall receive a copy of all such documents.

Section 6.08 Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, each of the District and the Corporation will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

Section 6.09 Indemnification of Corporation. The District shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Corporation and its directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of (i) the entering into of the Agreement, the use of any of the Facilities or any accident in connection with the operation, use, condition or possession of any of the Facilities or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the District or the Corporation, (ii) any claim for patent, trademark or copyright infringement, (iii) any claim arising out of strict liability in tort, or (iv) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of any Certificates. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of the Certificates, the making of provision for such payment to Section 10.01, the discharge of all obligations hereunder and/or the termination of the other provisions of this Trust Agreement for any reason. The District and the Corporation each agree to promptly give notice to the other of any claim or liability hereby indemnified against following either's learning thereof.

ARTICLE VII

THE TRUSTEE

Section 7.01 The Trustee.

(a) U.S. Bank Trust Company, National Association, as Trustee, shall receive all money which the District is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest and principal and prepayment premiums, if any, with respect to the Certificates presented for payment and for the purpose of canceling all paid or prepaid Certificates as provided herein.

(b) The District may at any time (unless there exists any Event of Default as defined in Section 9.01 hereof), remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall be a banking corporation or association with trust powers or a trust company, having a combined capital (exclusive of borrowed capital)

and surplus of at least $50,000,000 and subject to supervision or examination by federal or state authorities. If such banking corporation, association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authorities above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the District and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

(c) The Trustee shall, prior to a Trust Agreement Event of Default, and after the curing of all Trust Agreement Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement. The Trustee shall, during the existence of any Trust Agreement Event of Default (that has not been cured), exercise such of the rights and powers vested in it hereby, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 7.02 Liability of Trustee.

(a) The recitals of facts, agreements and covenants herein and in the Certificates shall be taken as recitals of facts, agreements and covenants of the District, and the Trustee assumes no responsibility for the correctness of the same and makes no representation as to the sufficiency or validity hereof or of the Certificates, and incurs no responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Certificates or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

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

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of Outstanding Certificates evidencing not less than a majority in aggregate amount of the unpaid Principal Installments, relating to the time, method and place of conducting any

proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it hereby at the request, order or direction of any of the Owners pursuant to the provisions hereof unless such Owners shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Owners for the payment of interest, principal or prepayment premium, if any, with respect to the Certificates from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

(e) The Trustee shall not be deemed to have knowledge of any default hereunder or default under the Agreement unless and until it shall have actual knowledge thereof or shall have received written notice thereof at its Principal Office. Except for payment defaults, unless the Trustee is notified in writing, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Certificates or as to the existence of a default hereunder.

(f) The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-at-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms hereof, if such attorney-at-law or certified public accountant was selected by the Trustee with due care.

(g) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(h) Whether or not therein expressly so provided, every provision hereof or of the Agreement or any related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this article.

(i) The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Corporation or District of the Property. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Agreement or this Trust Agreement for the existence, furnishing or use of the Property.

(j) The Trustee shall be protected in acting upon any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the

District or the Corporation, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

(k) Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of the District, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

(l) No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

(m) The Trustee shall have no responsibility, opinion or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the execution and delivery of the Certificates.

(n) All immunities, indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, employees, officers and agents thereof.

(o) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, so long as such company shall meet the requirements set forth in Section 7.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

(p) The Trustee may become the owner or pledgee of any Certificates with the same rights it would have if it were not Trustee.

(q) The Trustee shall not be responsible for monitoring, maintaining or paying for insurance required by the District under the Agreement.

(r) The Trustee shall not require indemnity as a condition to declaring an acceleration of the Certificates or to making a payment with respect to the Certificates.

(s) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise

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

(t) The Trustee agrees to accept and act upon instructions or directions pursuant to this Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing and any instruction or direction in PDF format sent by such unsecured electronic method is reasonably believed by the Trustee to be signed by one of such designated persons. If the District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding the fact that such instructions conflict or are inconsistent with a subsequent written instruction, provided such reliance and compliance occurred prior to such subsequent conflicting or inconsistent instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions (provided the Trustee has acted in accordance with the above requirement regarding receipt of an incumbency certificate specifying the sender as a designated person), and the risk of interception and misuse by third parties.

(u) In acting or omitting to act pursuant to the Agreement, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement, including, but not limited to, this Article VII.

Section 7.03 Compensation and Indemnification of Trustee. The District covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the District will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct. The District, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee and its officers, directors, agents and employees against any loss, damages, liability or expense (including, without limitation, legal fees and expenses) incurred without negligence or willful misconduct on the part of the Trustee arising out of or in connection with (i) the acceptance or administration of the trusts created hereby, or the exercise or performance of any of its powers or duties hereunder, under the Agreement, or any other document or

transaction in connection herewith, (ii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of any of the Certificates, (iii) any breach or default by the District or the Corporation of or in any of its obligations hereunder, or (iv) any act or omission of the District or the Corporation or any of their agents, contractors, servants, employees or licensees, including costs and expenses (including attorneys' fees and expenses) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the District under this Section shall continue in full force and effect notwithstanding the full payment of the Certificates, the making provision for such payment pursuant to Section 10.01, the discharge of all obligations hereunder, the termination of the other provisions of this Trust Agreement for any reason and/or the resignation or removal of the Trustee.

Section 7.04 Paying Agent. The Trustee, with the written approval of the District, may appoint and have a Paying Agent in such cities as the Trustee deems desirable, for the payment of the principal and interest (and premium, if any) with respect to the Certificates. It shall be the duty of the Trustee to make such credit arrangements with such Paying Agent as may be necessary to assure, to the extent of the moneys held by the Trustee for such payment, the prompt payment of the principal of, and interest (and premium, if any) with respect to the Certificates presented at either place of payment. The Trustee will not be responsible for the failure of any party to make funds available to the Trustee or Paying Agent. The Trustee is the initial Paying Agent.

Section 7.05 Notices to Rating Agencies. The Trustee shall provide the Rating Agencies, with copies to the District (but shall incur no liability for any failure to do so), with written notice upon the occurrence, to the extent known to the Trustee, of: (i) the discharge of liability on any Certificates pursuant to Section 10.01; (ii) the resignation or removal of the Trustee; (iii) acceptance of appointment of a successor trustee hereunder; (iv) the prepayment, acceleration or purchase by the District of any Certificates; (v) a change in this Trust Agreement or the Agreement, upon its receipt of written notice of any such changes and (vi) anything reasonably requested by a Rating Agency to maintain the rating on the Certificates. The Trustee shall also notify any Rating Agency of any changes to any of the documents to which the Trustee is a party, upon its receipt of written notification of any such changes.

ARTICLE VIII

AMENDMENT OF TRUST AGREEMENT

Section 8.01 Amendment of Trust Agreement. (a) Except as provided in subsections (b) and (c) of this Section, this Trust Agreement and the rights and obligations of the Corporation and of the Owners may be amended at any time by a Supplemental Trust Agreement which shall become binding when the prior written consents of the Owners of Outstanding Certificates evidencing a majority in aggregate amount of the unpaid Principal Installments, exclusive of Certificates disqualified as provided in Section 8.02 hereof, are filed with the Trustee; provided, that before executing any such Supplemental Trust Agreement the Trustee

may first obtain at the District's expense an Opinion of Counsel that such Supplemental Trust Agreement complies with the provisions of this Trust Agreement, on which opinion the Trustee may conclusively rely.

(b) No amendment to the Agreement or this Trust Agreement shall (1) extend the maturity date or change the payment dates of, or reduce the amount of the Principal Installments or Interest Installments evidenced by, or any prepayment premium, if any, due upon the prepayment of any Certificate without the express written consent of the Owner of such Certificate, or (2) reduce the percentage of Certificates required for the written consent to any such amendment, or (3) modify any rights or obligations of the Trustee without its prior written assent thereto. Copies of any amendments made to this Trust Agreement shall be sent to the Rating Agencies.

(c) This Trust Agreement and the rights and obligations of the Trustee, the District, the Corporation and of the Owners may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption without the consent of any Owners for any purpose that will not materially adversely affect the interests of the Owners, as evidenced by an Opinion of Counsel, at the expense of the District, provided to the Trustee, including (without limitation) for any one or more of the following purposes:

(i) to add to the agreements and covenants required herein to be performed by the District or the Corporation other agreements and covenants thereafter to be performed by the District or the Corporation, or to surrender any right or power reserved herein to or conferred herein on the District or the Corporation;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the District may deem desirable or necessary and not inconsistent herewith;

(iii) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify this Trust Agreement under the Trust Indenture Act of 1939;

(iv) to make any amendments or supplements necessary or appropriate to preserve or protect the Tax-Exempt status of the Interest Installments evidenced by the Certificates or the exemption thereof from State of California personal income taxes;

(v) to make such amendments or supplements as may be necessary or appropriate to maintain any then current rating on the Certificates by any of the Rating Agencies; or

(vi) to add to the rights of the Trustee.

Section 8.02 Disqualified Certificates. Certificates owned or held by or for the account of the Corporation or the District shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Certificates provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article; except that in

determining whether the Trustee shall be protected in relying upon any such approval or consent of an Owner, only Certificates which a responsible officer of the Trustee actually knows to be owned or held by or for the account of the District or the Corporation shall be disregarded unless all Certificates are so owned or held, in which case such Certificates shall be considered Outstanding for the purpose of such determination. Upon the request of the Trustee, the District and the Corporation shall specify to the Trustee those Certificates disqualified pursuant to this Section.

Section 8.03 Endorsement or Replacement of Certificates After Amendment. After the effective date of any action taken as hereinabove provided, the District may determine that the Certificates may bear a notation by endorsement in form approved by the District as to such action, and in that case upon demand of the Owner of any Outstanding Certificate and presentation of such Owner's Certificate for such purpose at the Principal Office of the Trustee a suitable notation as to such action shall be made on such Certificate. If the District shall so determine, new Certificates so modified as, in the opinion of the District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Certificate a new Certificate or Certificates shall be exchanged at the Principal Office of the Trustee without cost to each Owner for its Certificate or Certificates then Outstanding upon surrender of such Outstanding Certificates.

Section 8.04 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Certificates held by him, provided that due notation thereof is made on such Certificates.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01 Trust Agreement Events of Default. Each of the following shall constitute a Trust Agreement Event of Default:

(a) if the District shall fail to observe or perform any covenant, condition, agreement or provision in this Trust Agreement on its part to be observed or performed for a period of sixty (60) days after written notice, specifying such failure and requesting that the same be remedied, has been given to the District by the Trustee except that, if such failure can be remedied but not within such sixty (60) day period and if the District has taken all action reasonably available to remedy such failure within such sixty (60) day period, such failure shall not become a Trust Agreement Event of Default for so long as the District shall diligently proceed to remedy same, provided that such extension after such initial sixty (60) day period shall be no longer than 120 days; or

(b) an Agreement Event of Default shall have occurred and be continuing.

Section 9.02 Remedies on Default. If a Trust Agreement Event of Default shall occur, then, and in each and every such case during the continuance of such Trust Agreement Event of Default, the Trustee may take any one or more of the following remedial steps:

(a) The Trustee may, upon notice in writing to the District declare all amounts payable with respect to the Outstanding Certificates to be immediately due and payable, whereupon the same shall be immediately due and payable, anything in this Trust Agreement to the contrary notwithstanding; "all amounts payable with respect to the Outstanding Certificates" as used in this subsection, shall mean an amount equal to the Principal Installments evidenced by the Certificates Outstanding on the date of such declaration, together with all applicable prepayment premiums and all Interest Installments accrued or to accrue on and prior to the date of such declaration plus any other payments due or to become due hereunder, including, without limitation, any unpaid fees and expenses of the Trustee which are then due or will become due prior to the time that the Certificates are paid in full and the trust established by this Trust Agreement is terminated.

The Trustee shall mail, by first class mail (postage prepaid), to the Owners of the Outstanding Certificates at their addresses appearing on the Certificate Register, notice of such declaration as soon after such declaration as is practicable, but not more than five (5) days thereafter.

Any such declaration of acceleration of the maturity of the Certificates, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, there shall be deposited with the Trustee a sum sufficient to pay all Installment Payments evidenced by Outstanding Certificates the payment of which is overdue, with interest on such overdue principal component of such overdue Installment Payments at the rate or rates borne by the respective Certificates, and the reasonable charges and expenses of the Trustee, and any and all other defaults actually known to the Trustee (other than in the payment of the Installment Payments due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall on behalf of the Owners of all of the Outstanding Certificates, by written notice to the District, rescind and annul such declaration and its consequences and waive such default; and provided further that no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon. In the case of any such annulment, the Corporation, the District, the Trustee and the Owners of the Certificates shall be restored to their former positions and rights under the Agreement and this Trust Agreement.

(b) The Trustee may take whatever action, at law or in equity, as may appear necessary or desirable to collect the Installment Payments and any other payments then due and thereafter to become due under the Agreement and/or this Trust Agreement or to enforce the performance and observance of any obligation, covenant, agreement or provision contained in the Agreement and/or this Trust Agreement to be observed or performed by the District and/or the Corporation.

(c) By mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any officer or employee thereof, and to compel the District or any such officer or employee to perform and carry out its or his or her

duties under the law and all agreements and covenants required to be performed by it or him or her contained in the Agreement and/or this Trust Agreement.

(d) By suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee under the Agreement and/or this Trust Agreement.

(e) By suit in equity to require the District and its officers and employees to account as the trustee of an express trust.

(f) The Trustee may take whatever other legal or equitable action may appear necessary or desirable to enforce the performance of the obligations of the District under the Agreement and hereunder and to otherwise protect its rights and interests in connection with the Agreement and this Trust Agreement.

Section 9.03 Application of Funds After Default. If a Trust Agreement Event of Default shall occur and be continuing, all funds then held or thereafter received by the Trustee under any of the provisions of the Agreement and this Trust Agreement (subject to Section 10.03 and except for moneys on deposit in the Rebate Fund) shall be applied by the Trustee as follows and in the following order:

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

(2) To the payment of the principal or prepayment price and interest then due with respect to the Certificates (upon presentation of the Certificates to be paid, and noting thereon the payment if only partially paid, or surrender thereof if fully paid) as follows:

(i) Unless all amounts payable with respect to the Outstanding Certificates shall have become or have been declared due and payable pursuant to Section 9.02 and such declaration has not been rescinded,

First: To the payment to the Persons entitled thereto of all unpaid Interest Installments then due evidenced by the Certificates in the order of the payment date of such Interest Installments, and, if the amount available shall not be sufficient to pay in full any Interest Installment or Installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid Principal Installments evidenced by the Certificates or a prepayment price with respect to the Certificates which shall have become due, whether at the maturity date or by call for prepayment, in the order of their due dates, with interest on the overdue Principal Installments

evidenced by the Certificates at the rate borne by the respective Certificates and, if the amount available shall not be sufficient to pay or prepay in full all such Principal Installments evidenced by the Certificates due on any date, together with such interest, then to the payment or prepayment thereof ratably, according to the amounts of Principal Installments or prepayment price due on such date to the persons entitled thereto, without any discrimination or preference; and

(ii) If all amounts payable with respect to the Outstanding Certificates shall have become or have been declared due and payable, to the payment of the Principal Installments and Interest Installments evidenced by the Certificates then due and unpaid, with interest on the overdue Principal Installments evidenced by the Certificates at the rate borne by the respective Certificates and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of Principal Installments over Interest Installments, or of Interest Installments over Principal Installments, or of any Interest Installment over any other Interest Installment, or of any Certificate over any other Certificate, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

Section 9.04 Trustee to Represent Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Certificates by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Certificates for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Certificates, this Trust Agreement, the Agreement, and applicable provisions of law. Upon the occurrence and continuance of a Trust Agreement Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners, the Trustee in its discretion may, or upon the written request of the Owners of Outstanding Certificates evidencing not less than twenty-five percent (25%) in aggregate amount of the Principal Installments, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Agreement or herein, or in aid of the execution of any power in the Agreement or herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee, or in such Owners under this Trust Agreement, the Agreement, or any applicable law. All rights of action under the Agreement, this Trust Agreement or the Certificates or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Certificates, subject to the provisions of this Trust Agreement. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Certificates or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Section 9.05 Direction of Proceedings. Anything in this Trust Agreement to the contrary notwithstanding, the Owners of Outstanding Certificates evidencing at least 66 2/3% in aggregate amount of the unpaid Principal Installments shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder or under the Agreement, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Trust Agreement, and that the Trustee shall have the right to require that it first be indemnified and held harmless to its satisfaction, that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

Section 9.06 Limitation on Owners' Right to Sue. (a) Except as otherwise provided in subsection (b) of this Section, no Owner of any Certificate shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Trust Agreement, the Certificate, the Agreement, or any applicable law with respect to such Certificate, unless: (1) such Owner shall have given to the Trustee written notice of the occurrence of a Trust Agreement Event of Default; (2) the Owners of Outstanding Certificates evidencing not less than twenty-five per cent (25%) in aggregate amount of the unpaid Principal Installments shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

(b) Notwithstanding anything to the contrary contained in this Trust Agreement, the Owner of each Outstanding Certificate shall have the right to institute suit or to otherwise enforce its right to receive the Installment Payments evidenced by such Certificate when due and payable as provided in the Agreement, this Trust Agreement and such Certificate.

Section 9.07 Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Owners on account of any Trust Agreement Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners, then in every such case the District, the Corporation, the Trustee and

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

Section 9.08 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Certificates is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 9.09 No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Certificates to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Agreement or this Trust Agreement to the Trustee or the Owners of the Certificates may be exercised from time to time and as often as may be deemed expedient.

Section 9.10 Waivers of Events of Default. Except as otherwise provided herein, the Trustee in its discretion may, or with the consent and upon the written request of the Owners of Outstanding Certificates evidencing at least 66 2/3% in aggregate amount of the unpaid Principal Installments shall, waive any Agreement Event of Default or Trust Agreement Event of Default and rescind its consequences. In the case of any such waiver and rescission, the District, the Corporation, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver and rescission shall extend to any subsequent or other default, or impair any right consequent thereon. All waivers under this Trust Agreement shall be in writing and a copy thereof shall be delivered to the District and the Corporation.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Trust Agreement. When the obligations of the District under the Agreement shall have been discharged and terminated pursuant to Article VII of the Agreement (except for the right of the Trustee and the obligation of the District to have the money and the Defeasance Securities mentioned therein applied to the payment of Installment Payments as therein set forth), and all obligations of the District under this Trust Agreement have been paid then and in that case the obligations created by this Trust Agreement shall thereupon cease, terminate and become void and be discharged and satisfied except for the right of the Owners to receive, and the obligation of the Trustee to apply, the moneys and securities mentioned in Article VII of the Agreement to the payment of the Installment Payments and have the Installment Payments applied to the payment of the Certificates evidencing such Installment Payments as herein set forth and the right of the Trustee to collect any fees, expenses or indemnity due hereunder. Upon such discharge and satisfaction of the obligations hereunder the Trustee shall turn over to the District, as an overpayment of Installment Payments, all balances remaining in any of the funds or accounts held hereunder other than the Rebate Fund and moneys and Defeasance Securities held for the payment of the Certificates at maturity or on prepayment,

which moneys and Defeasance Securities shall continue to be held by the Trustee in trust for the benefit of the Owners and shall be applied by the Trustee to the payment, when due, of the Certificates evidencing the Principal Installments and Interest Installments and premium, if any, to be paid with moneys and securities deposited with the Trustee for such purpose, and after such payment, this Trust Agreement shall terminate and all obligations hereunder shall thereupon cease, terminate and become void and be completely discharged and satisfied.

Upon receipt of a request of the District, the Trustee shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the Agreement and this Trust Agreement.

If moneys or Defeasance Securities are deposited with and held by the Trustee for the payment of Certificates evidencing Installment Payments for which provision for payment has been made in accordance with Article VII of the Agreement as hereinabove provided, the Trustee shall mail a notice, first-class postage prepaid, to the Owners at the addresses listed on the Certificate Register, stating that (a) moneys or Defeasance Securities are so held by it, and (b) that this Trust Agreement has been discharged and satisfied to the extent provided in this Section in accordance with the provisions of this Section.

Section 10.02 Discharge of Particular Certificates. When the obligations of the District under the Agreement with respect to a Principal Installment shall have been discharged and terminated pursuant to the Agreement, then and in that case the obligations created by this Trust Agreement with respect to the Certificates evidencing ownership interests in such Principal Installment shall thereupon cease, terminate and become void and be discharged and satisfied except for the right of the Owners to receive, and the obligation of the Trustee to apply, the moneys and securities mentioned in the Agreement to the payment of the Certificates evidencing ownership interests in such Principal Installment and have the Installment Payments related to such Principal Installment applied to the payment of the Certificates evidencing ownership interests in such Principal Installment as set forth in this Trust Agreement.

Section 10.03 Moneys Held for Particular Certificates. The Trustee and the Paying Agent shall set aside on its books or otherwise identify or segregate all moneys held for the payment of the Installment Payments (whether Principal Installments, Interest Installments or both) evidenced by particular Certificates, or the prepayment price of particular Certificates, and after the date on which the Trustee or the Paying Agent, as applicable, sets aside on its books or otherwise identifies or segregates such moneys, they shall be held in trust for, and notwithstanding anything in this Trust Agreement to the contrary, be applied only to the payment of the Installment Payments evidenced by the particular Certificates, or the prepayment price of the particular Certificates, for which such moneys are held. The Trustee and the Paying Agent shall not be liable to any Owner, the Corporation, the District or any other Person for interest on amounts so held in trust from and after the date when the Installment Payments, or prepayment price, as applicable, is due and payable.

Section 10.04 Unclaimed Moneys. Anything in this Trust Agreement to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Certificates which remain unclaimed for two years after the date when such Certificates have

become due and payable (during which period the Trustee shall hold such moneys without liability for interest), either at their stated maturity dates or by call for prepayment, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such Certificates became due and payable, shall be repaid by such Trustee to the District, as its absolute property and free and clear of any trust, lien, pledge or assignment securing said Certificates, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners of such Certificates shall look only to the District for the payment of such Certificates; provided, however, that before being required to make any such payment to the District, the Trustee shall, at the expense of the District, mail, postage prepaid to the Owners of such Certificates, at the last address appearing upon the Certificate Register a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the District.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Benefits of this Trust Agreement. Nothing contained herein, expressed or implied, is intended to give to any person other than the Corporation, the Trustee, the District and the Owners any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the District or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee, the Corporation, and the Owners.

Section 11.02 Payment Liability of District. Notwithstanding anything to the contrary contained herein, the obligation of the District to make the payments required to be made by the District hereunder shall be payable from any funds of the District available for such purpose and does not constitute an obligation of the District for which it is obligated to collect any rates or charges or levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation.

The District covenants to take any lawful action as may be necessary to provide for a sufficient amount to cover all payments due hereunder from Net Revenues. The District reserves the right to incur obligations other than those contained in this Trust Agreement payable from any source, including the same sources described in this Section, provided that the provisions of Section 5.13 of the Agreement are met.

Section 11.03 Successor Is Deemed Included In All References To Predecessor. Whenever herein either the District or the Corporation or any member, officer or employee thereof is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Corporation or such member, officer or employee, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Corporation or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.04 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly-sworn to before such notary public or other officer. The ownership of any Certificates and the amount, maturity date, number and date of holding the same may be proved by the Certificate Register.

Any declaration, request or other instrument or writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the District, the Corporation or the Trustee in good faith and in accordance therewith.

Section 11.05 Personal Liability. No member, officer or employee of the District or the Corporation shall be individually or personally liable for the payment of any amounts becoming due under this Trust Agreement or for the performance by the District or the Corporation, as applicable, of any of its other obligations or agreements under this Trust Agreement, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by applicable provisions of law or hereby.

Section 11.06 Content of Certificates. Every certificate of the District with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any certificate of the District may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters or information with respect to which is in the possession of the District, upon a representation by an officer or officers of the District unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 11.07 Accounts and Funds; Business Days. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of

such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with this Trust Agreement and sound corporate trust industry practice and with due regard for the protection of the security of the Certificates and the rights of the Owners. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day with the same effect as if made on such non-Business Day.

Section 11.08 Notices. Unless otherwise provided herein, all notices, certificates or other communications hereunder shall be deemed sufficiently given upon actual receipt thereof when received by the District, the Corporation, the Trustee and the Rating Agencies, as the case may be, at the respective address provided pursuant to this Section or, if mailed by first class mail, postage prepaid, addressed to the appropriate address provided pursuant to this Section, six Business Days after deposit in the United States mail, the initial address for notices, counterparts and other communications hereunder is as follows:

If to the Corporation:	Irvine Ranch Water District Water Service Corporation c/o Irvine Ranch Water District 15600 Sand Canyon Avenue Irvine, California 92718 Attention: Treasurer
If to the District:	Irvine Ranch Water District 15600 Sand Canyon Avenue Irvine, California 92718 Attention: Treasurer
If to the Trustee:	U.S. Bank Trust Company, National Association 633 West Fifth Street, 24th Floor Los Angeles, California 90071 Attention: Global Corporate Trust Services
If to Fitch, to:	Fitch Ratings One State Street Plaza New York, New York 10004 Attention: Surveillance Facsimile: (212) 480-4421 Telephone: (212) 908-0875
If to S&P, to:	Standard & Poor's Ratings Services 55 Water Street, 38th Floor New York, New York 10041 Attention: Municipal Structured Group Facsimile: (212) 438-2157 Telephone: (212) 438-2000 Email: pubfin_structured@sandp.com

The District, the Trustee, the Corporation and the Rating Agencies may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Unless otherwise requested by the District, the Trustee, the Corporation, or the Rating Agencies, any notice required to be given hereunder in writing may be given by any form of Electronic Notice capable of making a written record. Each such party shall file with the Trustee information appropriate to receiving such form of Electronic Notice.

Section 11.09 CUSIP Numbers. None of the District, the Corporation nor the Trustee shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Certificate or in any notice relating thereto. The Trustee may, in its discretion, include in any notice relating to any of the Certificates a statement to the effect that the CUSIP numbers on the Certificates have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that none of the District, the Corporation or the Trustee shall be liable for any defects or inaccuracies in such numbers.

Section 11.10 Partial Invalidity. If any one or more of the agreements or covenants, or portions thereof, required to be performed by or on the part of the Trustee, the Corporation or the District under this Trust Agreement shall be prohibited, unenforceable, not authorized, invalid otherwise contrary to law in any jurisdiction or as applied to any Person or circumstance, then such agreement or agreements, such covenant or covenants or such portions thereof, or the application thereof to such person or circumstance, shall be null and void and shall be deemed separable from the remaining agreements and covenants contained herein and shall in no way affect the validity hereof in any other jurisdiction or the application thereof to any other Person or circumstance or the validity of such remaining provisions hereof as applied to such jurisdiction, Person or circumstance. The Trustee, the Corporation and the District hereby declare that they would have executed this Trust Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof, and would have authorized the execution and delivery of the Certificates, irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any Person or circumstance may be held to be prohibited, unenforceable, not authorized, invalid otherwise contrary to law.

Section 11.11 Continuing Disclosure. The District hereby covenants and agrees to comply with the Continuing Disclosure Certificate and any additional requirements under Rule 15c2-12 applicable to the Certificates, as it may from time to time hereafter be amended or supplemented. Notwithstanding any other provision of this Trust Agreement, failure of the District to comply with the requirements of the Continuing Disclosure Certificate or any additional provisions of Rule 15c2-12 applicable to the Certificates, as it may from time to time hereafter be amended or supplemented, shall not be considered a Trust Agreement Event of Default and the Trustee shall have no right to accelerate amounts due hereunder as a result thereof; provided, however, that any Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Trustee, as the case may be, to comply with its obligations in this Section.

Section 11.12 California Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State with respect to contracts made and to be prepared in the State.

Section 11.13 Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the District, the Corporation and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Irvine Ranch Water District has caused this Trust Agreement to be executed in its name and on its behalf by the President of its Board of Directors and its Secretary and the Irvine Ranch Water District Water Service Corporation has caused this Trust Agreement to be executed in its name and on its behalf by its President and Secretary and U.S. Bank Trust Company, National Association, in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

IRVINE RANCH WATER DISTRICT

By: _____
President

By: _____
Secretary

IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

By: _____
President

By: _____
Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF CERTIFICATES

IRVINE RANCH WATER DISTRICT
REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2026
Evidencing an Undivided, Proportionate Ownership
Interest in Certain Installment Payments to be made by the
IRVINE RANCH WATER DISTRICT

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Irvine Ranch Water District or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-__ **$_____**

Interest Rate	Maturity Date	Dated Date	CUSIP
_____%	March 1, ____	August __, 2026	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THIS IS TO CERTIFY that the registered owner of this Certificate set forth above is the owner of an undivided, proportionate ownership interest in certain Installment Payments (as that term is defined in the Trust Agreement hereinafter mentioned) to be made by the Irvine Ranch Water District, a California water district duly organized and existing under and by virtue of the laws of the State of California (the "District") under and pursuant to that certain Installment Sale Agreement executed and entered into as of August 1, 2026, by and between the District and the Irvine Ranch Water District Water Service Corporation, a nonprofit, public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation") (which Installment Sale Agreement, as the same may be amended and supplemented, is referred to herein as the "Agreement"). All of the Corporation's right, title and interest in and to the Agreement, including the right to receive the Installment Payments, have been assigned by the Corporation to U.S. Bank Trust Company, National Association, as trustee (together with any successor trustee (together with any successors, the "Trustee") pursuant to the Trust Agreement (as the same may be amended and supplemented, the "Trust Agreement"), dated as of August 1, 2026, among the Trustee, the District and the Corporation. Capitalized terms used in this Certificate not otherwise defined herein shall have the meanings given such terms in the Trust Agreement.

The registered owner of this Certificate is entitled to receive, subject to the terms of the Agreement and any right of prepayment prior thereto provided for in the Agreement or the Trust Agreement, on the maturity date set forth above, upon surrender of this Certificate at the Principal Office of the Trustee, the principal amount set forth above, representing the registered owner's proportionate share of the Installment Payment constituting Principal Installments becoming due and payable on such maturity date or on the date of prepayment prior thereto, and to receive interest with respect to such principal amount (representing the registered owner's proportionate share of the Installment Payments constituting Interest Installments) at the rate per annum set forth above, payable on each Interest Payment Date to the maturity date or date of prepayment prior thereto. The registered owner of this Certificate as shown in the Certificate Register maintained by the Trustee as of the close of business on the applicable Record Date is entitled to receive such registered owner's proportionate share of the Interest Installments evidenced by this Certificate from the Interest Payment Date next preceding the date of execution hereof by the Trustee; unless such date of execution is after a Record Date and on or before the following Interest Payment Date, in which event from such Interest Payment Date, or unless such date of execution is on or before _____ 15, 20__, in which event from the Dated Date specified above; provided that if at the time of execution of this Certificate, payment of the Interest Installments evidenced by this Certificate is then in default, interest with respect to this Certificate shall be payable from the Interest Payment Date to which interest with respect to this Certificate has previously been paid or made available for payment. Interest with respect to this Certificate shall be payable in lawful money of the United States of America, by check mailed on such Interest Payment Date by first-class mail to the registered owner hereof at the address appearing on the Certificate Register or at such other address as has been furnished to the Trustee in writing at least three Business Days prior to the applicable Record Date; provided, that if the registered owner of this Certificate owns $1,000,000 or more in aggregate principal amount of Outstanding Certificates, upon the written request of such registered owner hereof received by the Trustee at least three Business Days prior to the applicable Record Date (which such request shall remain in effect until rescinded in writing by such registered owner), interest with respect to this Certificate shall be paid by wire transfer in immediately available funds. The principal amount set forth above (representing the Principal Installment evidenced by this Certificate) is payable in lawful money of the United States of America upon surrender hereof at the Principal Office of the Trustee.

This Certificate is one of the duly authorized series of certificates of participation designated "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026" (the "Certificates") evidencing undivided, proportionate ownership interests in Installment Payments aggregating $_____ in Principal Installments, which have been executed by the Trustee under and pursuant to the provisions of the Trust Agreement. Copies of the Trust Agreement are on file at the Principal Office of the Trustee and reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms of the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered owners of the Certificates with respect thereto and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder. By acceptance of this Certificate the registered Owner hereof consents and agrees to all the terms and provisions of the Trust Agreement.

The District is obligated to make the Installment Payments under the Agreement only from the Net Revenues and not from any other funds or moneys of the District and the payment of the Installment Payment does not constitute an obligation of the District for which it is obligated to levy or collect any form of taxation, including ad valorem assessments, or for which the District has levied or pledged any form of taxation, including ad valorem assessments.

In the Agreement the District has pledged, subject to application as provided in the Agreement, all the District's Revenues to secure the payment of the Installment Payments, which pledge is on a parity with any pledge of Revenues securing Parity Obligations. In the Agreement the District covenants to fix, prescribe and collect Revenues, to the fullest extent permitted by law, which will be at least sufficient to yield during each Fiscal Year Net Revenues equal to 125% of Debt Service payable during such Fiscal Year. The District reserves the right to incur Parity Obligations on the terms and condition set forth in the Agreement.

In the Agreement, the District has certified that all acts, conditions and things required by the Constitution and statutes of the State of California, to have been performed, to have happened and to exist precedent to and in connection with the execution and delivery of the Agreement, have been performed, have happened and do exist in regular and due time, form and manner as required by law.

Copies of the Agreement are on file at the Principal Office of the Trustee and reference is hereby made to the Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms of the Installment Payments, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered owners of the Certificates with respect thereto and for the other agreements of the District with respect to the Installment Payments. By acceptance of this Certificate the registered Owner hereof consents and agrees to all the terms and provisions of the Agreement.

Prepayment of Certificates. The Certificates maturing on and after March 1, 20__ are subject to prepayment prior to maturity, at the option of the District, in whole or in part on any date on and after _____ 1, 20__, at a prepayment price equal to the principal amount of the Certificates being prepaid, plus unpaid accrued interest to the prepayment date, without premium.

If less than all of the Certificates are to be prepaid at the option of the District, the principal amount of the Certificates of each maturity to be prepaid shall be selected by the District. If less than all of the Certificates of a maturity are to be prepaid, the particular Certificates of such maturity to be prepaid shall be selected as provided in the Trust Agreement.

The Certificates are payable upon prepayment at the Principal Office of the Paying Agent. Notice of prepayment, setting forth the place of payment and the prepayment date, shall be mailed, postage prepaid, not less than 30 days nor more than 60 days before the prepayment date to the registered owners of any Certificates or portions of the Certificates to be prepaid; provided, however, that receipt of such mailing shall not be a condition precedent to such prepayment and failure to receive any such notice or any defect therein shall not affect the validity of the proceedings for the prepayment of the Certificates. Except as provided in the next

paragraph, if notice of prepayment shall have been given as aforesaid, the Certificates or portions thereof specified in said notice shall become due and payable on the prepayment date therein fixed, then from and after the prepayment date interest on such Certificates or portions thereof so called for prepayment shall cease to accrue and be payable.

With respect to any notice of any optional prepayment with respect to the Certificates, unless at the time such notice is given the Certificates to be prepaid the Trustee holds available moneys sufficient to pay the prepayment price of the Certificates to be prepaid, such notice shall state that such prepayment is conditional upon receipt by the Trustee, on or prior to the date fixed for such prepayment, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the prepayment price of the Certificates to be prepaid, and that if such moneys shall not have been so received said notice shall be of no force and effect and the District shall not be required to prepay such Certificates. In the event a notice of prepayment with respect to the Certificates contains such a condition and such moneys are not so received, the prepayment of Certificates as described in the conditional notice of prepayment shall be cancelled and the Certificates described in such prepayment notice shall remain Outstanding under the Trust Agreement bearing interest and being subject to further prepayment as if such prepayment notice had not been given. In the event a prepayment described in a conditional notice of prepayment is cancelled as described above, the Trustee shall, within a reasonable time after the date on which such prepayment was to occur, give notice to the persons who received such notice of prepayment and in the manner in which the notice of prepayment was given, that such moneys were not so received and that there shall be no prepayment with respect to the Certificates pursuant to such notice of prepayment.

Other Provisions of Certificates. This Certificate is transferable on the books required to be kept for that purpose at the Principal Office of the Trustee by the Person in whose name it is registered, in person or by his duly authorized attorney, upon payment of the charges provided in the Trust Agreement, and upon surrender of this Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee, and thereupon a new Certificate or Certificates evidencing a like aggregate principal amount in authorized denominations will be delivered to the transferee. This Certificate may be exchanged at the Principal Office of the Trustee, upon payment of the charges provided in the Trust Agreement, for Certificates evidencing a like aggregate principal amount of Certificates of other authorized denominations. The Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest and principal and prepayment premium, if any, evidenced hereby and for all other purposes, whether this Certificate shall be overdue or not, and the Trustee shall not be affected by any notice or knowledge to the contrary; and payment of the interest and principal and prepayment premium, if any, evidenced by this Certificate shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Certificate to the extent of the sum or sums so paid.

The Trustee has no obligation or liability to the Certificate owners for the payment of the interest or principal or the prepayment premiums, if any, evidenced by the Certificates; but rather the Trustee's sole obligations are those stated in the Trust Agreement.

No member, officer or employee of the District or the Corporation shall be individually or personally liable for the payment of the interest or principal or prepayment premiums, if any, evidenced by the Certificates by reason of their delivery, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by applicable provisions of law or hereby.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto, but no such amendment shall (1) extend the maturity date of this Certificate, or change the payment dates of, or reduce the rate of interest or principal or prepayment premium, if any, evidenced hereby, without the express written consent of the registered owner hereof, or (2) reduce the percentage of Certificates required for the written consent to any amendment, or (3) modify any rights or obligations of the Trustee without its prior written assent thereto.

The Trust Agreement prescribes the manner in which it may be discharged and after which the Certificates shall no longer be secured by or entitled to the benefits of the Trust Agreement.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized signatory of the Trustee as of the date below.

EXECUTION DATE: August ___, 2026

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ _____ (Taxpayer Identification Number: _____) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Note: The signature to this Assignment must correspond with the name as written on the face of the Certificate in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature must be guaranteed by an eligible guarantor institution.

Note: This page is intentionally left blank.

INSTALLMENT SALE AGREEMENT

by and between

IRVINE RANCH WATER DISTRICT

and

IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

Dated as of August 1, 2026

Relating to

Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

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INSTALLMENT SALE AGREEMENT

This Installment Sale Agreement (this "Agreement"), dated as of August 1, 2026, by and between the Irvine Ranch Water District, a California water district duly formed and existing under Section 34000 and following of the Water Code of the State of California (the "District"), and the Irvine Ranch Water District Water Service Corporation, a nonprofit, public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"),

W I T N E S S E T H:

WHEREAS, the District is authorized by the Act (capitalized terms used herein and not otherwise defined shall have the meanings given such terms pursuant to Section 1.01 hereof) to join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the powers of the District and for that purpose to contract with such other public agencies, private corporations or persons for the purpose of financing or refinancing the acquisition and construction of facilities and other properties to provide water, sewer and reclaimed water services; and

WHEREAS, to provide for the financing and refinancing of the Property on favorable terms and conditions, the District has determined to sell the Property to the Corporation and to repurchase the Property on an installment sale basis on the terms and conditions set forth in this Agreement; and

WHEREAS, the District has determined that the sale of the Property and the repurchase of the Property as provided in this Agreement is necessary and proper for District purposes under the terms of applicable law and is for the common benefit of the inhabitants of the District; and

WHEREAS, each of the District and the Corporation have determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with its respective execution, delivery and performance of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that it is duly authorized to execute, and enter into this Agreement and to perform its respective obligations hereunder;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in that certain Trust Agreement, dated as of August 1, 2026, among the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee, and the rules of construction

therein, shall for all purposes hereof and of any amendment hereof or supplement hereto and of any opinion or report or other document mentioned herein have the meanings given such terms pursuant to said Trust Agreement.

ARTICLE II

SALE AND PURCHASE OF PROPERTY

Section 2.01 Purchase of Property by Corporation. The District hereby sells, assigns, and transfers to the Corporation, and the Corporation hereby purchases from the District, all of the District's right, title and interest in and to the Property generally described on Exhibit A hereto. The Corporation shall pay to the District, as the purchase price of the Property, the sum of $_____ concurrently with the execution hereof from the proceeds of the sale of the Certificates. The District and the Corporation each represent and agree that such amount represents the fair market value of the Property and the full consideration for this purchase.

Section 2.02 District Disclaimer of Warranties. THE DISTRICT MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROPERTY. THE CORPORATION ACKNOWLEDGES THAT THE DISTRICT IS NOT A DEVELOPER OR BUILDER OF THE PROPERTY OR A DEALER THEREIN, THAT THE CORPORATION BUYS THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CORPORATION. In no event shall the District be liable for any incidental, indirect, special or consequential damage in connection with or arising out of the District's sale, transfer and assignment of its interests in and to the Property to the Corporation pursuant to this Agreement.

Section 2.03 Purchase of Property by District. (a) In consideration of the obligation of the District to make Installment Payments as provided in Section 3.01 hereof, and the other agreements and obligations of the District set forth in this Agreement, the Corporation hereby sells, assigns and transfers to the District on an installment sale basis, and the District hereby repurchases from the Corporation all of the Corporation's right, title and interest in and to the Property.

(b) All right, title and interest of the Corporation in and to the Property sold, assigned and transferred to the District pursuant to this Agreement shall immediately vest in the District without further action on the part of the Corporation or the District. The Corporation shall have no lien, claim, estate or other interest in or to the component of the Property so vested in the District for any purpose, including to secure the payment of the Installment Payments or otherwise in connection with this Agreement.

Section 2.04 Corporation Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROPERTY. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION IS NOT A DEVELOPER OR BUILDER

OF THE PROPERTY OR A DEALER THEREIN, THAT THE DISTRICT BUYS THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or the District's use of the Property or any part thereof.

ARTICLE III

INSTALLMENT PAYMENTS AND PREPAYMENTS

Section 3.01 Installment Payments. (a) The District shall pay the Installment Payments as the purchase price for the Property, at the times and in the amounts hereinafter set forth. The Installment Payments consist of the Principal Installments and the Interest Installments. The Interest Installments constitute interest on the unpaid balance of the Principal Installments.

(b) The Principal Installments shall be payable in the amounts set forth in Exhibit B hereto and, subject to the exercise of any remedies under Article VI, shall have the due dates set forth in such Exhibit B. The amounts of the Principal Installments set forth in Exhibit B hereto are subject to adjustment based on the prepayment of Principal Installments (and the corresponding prepayment of Certificates) pursuant to Section 3.02 hereof upon the surrender to the Trustee for cancellation of Certificates acquired by or for the account of the District with such prepayments. The unpaid amount of each Principal Installment shall bear interest at the rate indicated for such Principal Installment in Exhibit B hereto based on a 360 day year of twelve 30-day months. The Installment Payments shall be payable in the amounts and on the dates provided in Section 4.02(c).

(c) The Installment Payments shall in the aggregate be in an amount equal to the amount required by the Trustee to make the deposits to the Interest Account and the Principal Account within the Certificate Fund required by Section 5.02 of the Trust Agreement and any amount, including prepayment premium, if any, required to prepay the obligations represented by the Certificates pursuant to Section 4.01 of the Trust Agreement, taking into account any other funds available for the purpose of such deposits. Each Installment Payment hereunder shall be paid in lawful money of the United States of America in immediately available funds to the Trustee at its Principal Office, and held, invested, disbursed and applied as provided in the Trust Agreement. The District will make each such Installment Payment directly to the Trustee as assignee of the Corporation's interests in this Agreement and the Installment Payments. In the event the District should fail to make any of the payments required by this Section, the installment so in default shall continue as an obligation of the District until the amount in default shall have been fully paid with interest thereon at a rate of interest equal to the highest rate of interest on the Outstanding Principal Installments.

Section 3.02 Prepayments. (a) The District shall have the right at any time or from time to time from any available funds to prepay all or any part of the Principal Installments, and the Corporation shall accept such prepayments when the same are tendered by the District. Unless the District directs that such prepayment be applied as a credit against specified required

deposits to the Certificate Fund, all prepayments of Principal Installments made by the District pursuant to this subsection (a) shall be deposited in the Prepayment Fund. The amount due with respect to the prepayment of Principal Installments deposited in the Prepayment Fund shall be the amount necessary to cause the Principal Payments to be prepaid to be deemed paid pursuant to Section 7.03. All amounts in the Prepayment Fund shall be applied to the prepayment of Outstanding Certificates in the manner and subject to the terms and conditions set forth in the Trust Agreement.

(b) With respect to prepayments of Principal Installments pursuant to subsection (a) of this Section, the District may determine which Principal Installments are to be prepaid, the amount of each such Principal Installment which is to be prepaid and, subject to the provisions of this Section, the date on which each such prepayment is to be made; provided that any such prepayment which is to be applied as a credit against required deposits to the Certificate Fund shall be delivered to the Trustee with the instructions for such credits at least five Business Days prior to the date of the required deposit to the Certificate Fund. Before making any prepayment pursuant to subsection (a) of this Section, the District shall give written notice to the Trustee, as assignee of the Corporation, specifying the date on which the prepayment will be paid and the amount thereof; provided, that notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including specifically its obligations to make Installment Payments pursuant to this Article, until all Installment Payments shall have been fully paid (or provision for payment thereof shall have been made pursuant to Article VII hereof).

Section 3.03 Reserve Fund. (a) In the event the Reserve Requirement for any Fiscal Year is greater than $0 as a result of the Unrestricted Cash being less than the amount required to maintain the Reserve Requirement at $0, the District shall pay an amount equal to the Reserve Requirement to the Trustee by the last day of such Fiscal Year for deposit into the Reserve Fund.

(b) In the event there is a withdrawal or withdrawals from the Reserve Fund to pay principal or interest with respect to the Certificates in any Fiscal Year due to an insufficiency of funds in the Certificate Fund, to the extent such withdrawal is not replenished by a delinquent payment of Installment Payments, the District shall pay the amount necessary so that the amount in the Reserve Fund is at least equal to the Reserve Requirement by the later of: (i) the last day of such Fiscal Year; or (ii) twelve months after the first such withdrawal of funds from the Reserve Fund in such Fiscal Year.

(c) Notwithstanding the foregoing provisions of this Section, no payments shall be required pursuant to this Section to the extent the amount in the Reserve Fund is equal to the Reserve Requirement.

Section 3.04 Payment Liability of District. Notwithstanding anything to the contrary contained herein, the obligation of the District to pay Installment Payments and the other payments required to be made by the District hereunder shall be a special obligation which the District is required to pay only from the Net Revenues and not from any other funds or monies of the District and such payment obligation does not constitute an obligation of the District for which it is obligated to levy or collect any form of taxation, including ad valorem assessments, or for which the District has levied or pledged any form of taxation, including ad valorem assessments.

Section 3.05 Obligations of the District Unconditional; Net Contract. The obligations of the District to make the Installment Payments required hereunder, but only from the Net Revenues, and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Installment Payments remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to all or any portion of the Facilities, including without limitation the Property, commercial frustration of purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, or any failure of the Corporation or the Trustee, as assignee of the Corporation, to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement or the Trust Agreement. This Agreement shall be deemed and construed to be a "net contract," and the District shall pay absolutely net the Installment Payments and all other payments required hereunder, regardless of any rights of set-off, recoupment, abatement or counterclaim that the District might otherwise have against the Corporation or the Trustee or any other party or parties.

ARTICLE IV

REVENUES; REVENUE FUND

Section 4.01 Pledge of Revenues. Subject to the application thereof on the terms and conditions herein provided, all Revenues are hereby irrevocably pledged to the payment of the Installment Payments and the other amounts due under this Agreement, which pledge shall be on a parity with any pledge of Revenues securing Parity Obligations. This pledge shall constitute a first pledge of and charge and lien upon the Revenues for the payment of the Installment Payments and the other amounts due under this Agreement and all Parity Obligations in accordance with the terms hereof and thereof after payment from the Revenues of the Operation and Maintenance Expenses as provided herein.

No fund or account of the District, including its general fund, other than the Revenue Fund, is liable for, and neither the faith and credit nor the taxing power of the District is liable for or pledged to, the payment of the Installment Payments and the other amounts payable by the District under this Agreement.

Section 4.02 Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Revenues received by it shall be deposited when and as received in the Revenue Fund, which fund has heretofore been established by the District and which fund the District agrees and covenants to maintain as a special fund, separate and apart from other moneys of the District so long as any Installment Payment remains Outstanding or any other amounts remain payable hereunder. All Revenues shall be applied in the following order of priority:

(a) First to the payment of Operation and Maintenance Expenses (other than the funding of contingency reserves for Operation and Maintenance Expenses) as they become due and payable.

(b) Second, to the funding of contingency reserves for Operation and Maintenance Expenses.

(c) Third: (i) two (2) Business Days before each Interest Payment Date, to a deposit to the Certificate Fund in an amount equal to the Installment Payment becoming due and payable on such Interest Payment Date which shall consist of the unpaid Principal Installment coming due on such Interest Payment Date, if any, and an Interest Installment equal to the unpaid, accrued interest on the unpaid Principal Installments; and (ii) on each date, other than an Interest Payment Date, on which a Principal Installment is due, whether by mandatory prepayment, acceleration, or otherwise, to a deposit to the Certificate Fund in an amount equal to the Installment Payment due and payable on such date which shall consist of the unpaid Principal Installments coming due on such date and an Interest Installment equal to the unpaid, accrued interest on the unpaid Principal Installments. Notwithstanding the provisions of the immediately preceding sentence, no such deposits to the Certificate Fund need be made by the District to the extent the Trustee then holds money for such purpose in the Certificate Fund available to pay the Installment Payments to be paid with such deposit. The District shall also pay to the party entitled thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the Installment Payments), without preference or priority between transfers made pursuant to this sentence and the first sentence of this subsection (c), and in the event of any insufficiency of such moneys ratably without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest on Parity Obligations (other than the Installment Payments) in accordance with the terms of such Parity Obligations.

(d) Fourth, on each Interest Payment Date, to a deposit to the Reserve Fund in the amount, if any, then required by this Agreement to restore the Reserve Fund to an amount equal to the Reserve Requirement. The District shall also transfer or cause to be transferred to any applicable reserve fund or account for any Parity Obligations for which a separate reserve has been funded, without preference or priority between transfers made pursuant to this sentence and the first sentence of this subsection (d), and in the event of any insufficiency of such moneys ratably without any discrimination or preference, the sum or sums, if any, equal to the amount required to be deposited therein in accordance with the terms of such Parity Obligations.

(e) Fifth, to any lawful purpose of the District, including the payment of any Subordinate Obligations in accordance with the instruments authorizing such Subordinate Obligations, which application shall be free and clear of the pledge and lien on Revenues created by this Agreement.

Section 4.03 Investments. Any moneys held in the Revenue Fund shall be invested by the District in any investment permitted by law for such funds that will mature on or before the dates when such moneys are anticipated to be needed for disbursement hereunder. All investment earnings from moneys or deposits in the Revenue Fund shall be credited in such fund and applied only to the purposes permitted for such fund.

The District may commingle any of the moneys in the Revenue Fund with the moneys held in other funds or accounts (except for moneys held in any rebate fund, which shall be held separately) for investment purposes only; provided however, that all moneys in the Revenue Fund shall be accounted for separately notwithstanding such commingling.

ARTICLE V

COVENANTS OF THE DISTRICT

So long as any Installment Payments remain Outstanding or any other payments due under this Agreement remain unpaid by the District, the District covenants and agrees as follows:

Section 5.01 Compliance with Agreement. The District will punctually pay the Installment Payments, but only from the Net Revenues, in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate this Agreement or fail to make any payment required by this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to all or a portion of the Property, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of the Corporation or the Trustee to observe or perform any agreement, condition, covenant or term contained in this Agreement, the Trust Agreement or any other document or instrument required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement, the Trust Agreement or any other document or instrument or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Corporation or the Trustee or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lockouts, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

Section 5.02 Against Encumbrances. The District will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for the District in, upon, about or relating to the Facilities and will keep the Facilities free of any and all liens. In the event any such lien attaches to or is filed against any portion of the Facilities, the District will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the District desires to contest any such lien it may do so if contesting such lien will not materially impair operation of the Facilities. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so

stayed and such stay thereafter expires, the District will forthwith pay or cause to be paid and discharged such judgment.

Section 5.03 Sale or Other Disposition of Facilities. The District will not sell, transfer or otherwise dispose of any of the works, plant, properties, facilities or other part or rights of the Facilities or any real or personal property comprising a part of the Facilities if such sale, transfer or disposition would cause the District to be unable to satisfy its obligations under this Agreement.

Section 5.04 Maintenance of Facilities by the District. The District will maintain and preserve the Facilities in good repair and working order at all times and will operate the Facilities in an efficient and economical manner and will pay all maintenance and operation costs, as they become due and payable. The District agrees that, at its own cost and expense, it will maintain, preserve and keep its Facilities and every part and parcel thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. The Corporation shall have no responsibility in any of these matters.

Section 5.05 Budgets. The District will take such action as shall be necessary to include all Installment Payments coming due in each Fiscal Year in its budget for such Fiscal Year. The District will adopt and file with the Corporation, not later than June 30 of each year, a budget for the succeeding Fiscal Year, approved by the Board of Directors of the District, setting forth the estimated Operation and Maintenance Expenses of the Facilities for such Fiscal Year and including all Installment Payments required to be made hereunder in such Fiscal Year; provided, that, subject to including all Installment Payments due hereunder in such Fiscal Year, any such budget for a Fiscal Year may be amended at any time during such Fiscal Year and such amended budget shall be filed by the District with the Corporation. When filed with the Corporation, such budget and any amendments thereto shall include a letter from the District stating that all Installment Payments for the then current Fiscal Year required to be made hereunder have been included in the attached annual budget.

Section 5.06 Insurance. The District will procure and maintain such insurance relating to the Facilities which it shall deem advisable or necessary to protect its interests and operations, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with public water, sewer and reclaimed water systems similar to the Facilities; provided, that any such insurance may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner as is, in the opinion of an accredited actuary, actuarially sound. All policies of insurance required to be maintained hereunder shall provide that the Corporation shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Notwithstanding the foregoing provisions of this Section, if at any time the District shall be unable to obtain or maintain insurance to the extent required by such provisions on reasonable terms, as to amounts, costs or as to risks, the failure to maintain such insurance shall not constitute a default under this Agreement if the District shall cause the employment of an independent insurance consultant having a favorable reputation for skill and experience in such matters, for the purpose of reviewing such insurance requirements and making recommendations

respecting the types, amounts and provisions of reasonably obtainable insurance, including self-insurance, or the establishment of other generally accepted forms of alternative protection that should be carried in lieu thereof, or the infeasibility of obtaining insurance, and if the District shall comply with the recommendations made in such report. A signed copy of the report of the insurance consultant shall be filed with the Corporation, and the insurance requirements specified in this Section shall be deemed to be modified to conform with the recommendations in such report.

Section 5.07 Accounting Records; Financial Statements and Other Reports.

(a) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Facilities, which records shall be available for inspection by the Corporation at reasonable hours and under reasonable conditions.

(b) The District will prepare and file with the Corporation annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2026):

(i) financial statements of the District for such Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, together with an Accountant's Report thereon; and

(ii) a detailed report as to all insurance policies maintained and self-insurance programs maintained by the District with respect to the Facilities as of the close of such Fiscal Year, including the names of the insurers which have issued the policies and the amounts thereof and the property or risks covered thereby.

Section 5.08 Payment of Taxes and Compliance with Governmental Regulations. The District will: (i) pay and discharge all taxes, assessments and other governmental charges which may hereafter be imposed upon the Facilities or any part thereof when the same shall become due; and (ii) will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Facilities or any part thereof; provided, however, that the District shall not be required to comply with the requirements of either clause (i) or clause (ii) above to the extent that the validity or application of any particular taxes, assessments or other governmental charges, or any particular regulation or requirement, as applicable, shall be contested in good faith and contesting such validity or application will not materially impair the operation or maintenance of the Facilities, the financial condition of the District or the ability of the District to perform all of its obligations under this Agreement.

Section 5.09 Distribution of Net Revenues for Debt Service. The District hereby covenants that it will distribute Net Revenues available for Outstanding Installment Payments and debt service on all Outstanding Parity Obligations on a pro rata basis without regard to whether each such Parity Obligation has a funded debt service reserve or a surety bond or other similar funding instrument.

Section 5.10 Tax Covenants. (a) The District hereby covenants it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-Exempt status of the Interest Installments of the Installment Payments under Section 103 of the Code. Without limiting the generality of the foregoing, the District shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein.

(b) In the event that at any time the District is of the opinion that, in order to comply with its obligations under subsection (a) of this Section, it is necessary or helpful to restrict or limit the yield on the investment of any moneys in any of the funds or accounts held by the Trustee pursuant to the Trust Agreement, the District shall so instruct the Trustee in writing, and cause the Trustee to take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the District shall provide to the Trustee an Opinion of Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the Tax-Exempt status of the Interest Installments of the Installment Payments under Section 103 of the Code, the District and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

(d) The covenants in this Section shall survive payment in full or discharge of the Certificates and the Installment Payments.

Section 5.11 Eminent Domain and Insurance Proceeds. If all or any part of the Facilities shall be taken by eminent domain proceedings, or if the District receives any insurance proceeds resulting from a casualty loss to the Facilities, the Net Proceeds thereof, at the option of the District, shall be applied either to the proportional prepayment of Installment Payments and any parity obligations or shall be used to make improvements or additions to the Facilities.

Section 5.12 Amount of Rates and Charges. To the fullest extent permitted by law, the District shall fix, prescribe and collect Revenues which will be at least sufficient to yield during each Fiscal Year Net Revenues which, together with any ad valorem assessments available to pay Debt Service on Parity Obligations, are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section.

Section 5.13 Parity Obligations. (a) The District may at any time issue additional Parity Obligations; provided:

(i) The Net Revenues for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on

file with the District, shall have been at least equal to one hundred twenty five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and

(ii) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, shall produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Applicable Fiscal Year plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for each Fiscal Year in the Test Period, plus an allowance for the estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any increase in the income, rents, fees, rates and charges estimated to be received by the District and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, shall produce an amount in each Fiscal Year in the Test Period which is at least equal to one hundred twenty-five percent (125%) of the sum of: (i) Aggregate Debt Service in each such Fiscal Year on all then Outstanding Parity Obligations plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by the District to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(b) Notwithstanding the provisions of subsection (a) of this Section, the District may at any time issue additional Parity Obligations to refund Outstanding Parity Obligations without satisfying any of the conditions set forth in such subsection if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

(c) Notwithstanding the provisions of subsection (a) of this Section, the District may at any time issue a Parity Obligation constituting a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such subsection if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of

credit relating to such Prior Reimbursement Agreement, or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with subsection (a) and subsection (b) of this Section.

(d) Nothing herein shall preclude the District from issuing any Subordinate Obligations without complying with the provisions of any other subsection of this Section.

Section 5.14 Continuing Disclosure. The District hereby covenants and agrees to comply with the Continuing Disclosure Certificate and any additional requirements under Rule 15c2-12 applicable to the Certificates, as it may from time to time hereafter be amended or supplemented. Notwithstanding any other provision of this Agreement, failure of the District to comply with the requirements of the Continuing Disclosure Certificate or any additional provisions of Rule 15c2-12 applicable to the Certificates, as it may from time to time hereafter be amended or supplemented, shall not be considered an Agreement Event of Default and the Corporation shall have no right to accelerate amounts due hereunder as a result thereof; provided, however, that any Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Trustee, as the case may be, to comply with its obligations in this Section.

Section 5.15 No Prior Pledge of Revenues. The District agrees not to create any pledge of, lien on or charge upon the Revenues with a priority prior to or senior to the pledge of the Revenues securing the Parity Obligations. Nothing in this Section, however, shall prevent the District from issuing Subordinate Obligations or granting a pledge of, lien on or charge upon the Revenues in all respects junior and subordinate to the payment of amounts due with respect to Parity Obligations to secure any such Subordinate Obligations. Nothing in this Agreement shall limit the District's payment of the Operation and Maintenance Expenses prior to the payment of the Parity Obligations as provided herein.

Section 5.16 Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement and for the better assuring and confirming unto the Corporation of the rights and benefits provided to it in this Agreement.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01 Agreement Events of Default. Each of the following shall constitute an Agreement Event of Default:

(a) if default shall be made in the due and punctual payment of any Installment Payment when and as the same shall become due and payable; or

(b) if the District shall fail to observe or perform any covenant, condition, agreement or provision in this Agreement on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of sixty (60) days after written notice, specifying such failure and requesting that the same be remedied, has been

given to the District by the Corporation; except that, if such failure can be remedied but not within such sixty (60) day period and if the District has taken all action reasonably available to remedy such failure within such sixty (60) day period, such failure shall not become an Agreement Event of Default for so long as the District shall diligently proceed to remedy same in accordance with and subject to any directions or limitations of time established by the Corporation; or

(c) an Event of Bankruptcy shall occur with respect to the District;

(d) an Event of Default (as defined in such document) shall occur with respect to any Parity Obligation; or

(e) a Trust Agreement Event of Default shall have occurred.

Section 6.02 Remedies on Default. If an Agreement Event of Default shall occur, then, and in each and every such case during the continuance of such Agreement Event of Default, the Corporation may take any one or more of the following remedial steps:

(a) The Corporation shall, if the Certificates have been accelerated pursuant to Section 9.02 of the Trust Agreement, upon notice in writing to the District, declare all amounts payable for the remainder of the term of this Agreement to be immediately due and payable, whereupon the same shall be immediately due and payable, anything in this Agreement to the contrary notwithstanding. The term "all amounts payable for the remainder of the term of this Agreement" as used in this subsection, shall mean an amount equal to the Principal Installments evidenced by the Certificates Outstanding on the date of such declaration, together with any applicable prepayment premiums and all Interest Installments accrued or to accrue on and prior to the date of such declaration plus any other payments due or to become due hereunder, including, without limitation, any unpaid fees and expenses of the Trustee and the Corporation which are then due or will become due prior to the time that the Certificates are paid in full and the trust established by the Trust Agreement is terminated; provided, however, that if acceleration of the Certificates has been rescinded and annulled pursuant to Section 9.02 of the Trust Agreement, acceleration of all amounts payable for the remainder of the term of this Agreement shall be waived; but no such waiver shall extend to or affect any subsequent default or shall impair or exhaust any right or power consequent thereto.

(b) The Corporation may take whatever action, at law or in equity, as may appear necessary or desirable to collect the Installment Payments and any other payments then due and thereafter to become due under this Agreement or to enforce the performance and observance of any obligation, covenant, agreement or provision contained in this Agreement to be observed or performed by the District.

(c) By mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any officer or employee thereof, and to compel the District or any such officer or employee to perform and carry out its or his or her duties under the law and all agreements and covenants required to be performed by it or him or her contained in this Agreement.

(d) By suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Corporation.

(e) By suit in equity to require the District and its officers and employees to account as the trustee of an express trust.

(f) The Corporation may take whatever other legal or equitable action may appear necessary or desirable to enforce the performance of the District's obligations hereunder and to otherwise protect its rights and interests in connection with this Agreement.

Section 6.03 Application of Net Revenues upon Acceleration. All Net Revenues upon the date of the declaration of acceleration by the Corporation as provided in Section 6.02 above and all Net Revenues thereafter received shall be applied in the following order:

First, to the payment of the fees, costs and expenses of the Trustee, if any, in carrying out the provisions of this Article, including reasonable compensation to its agents, accountants and counsel and including any indemnification expenses;

Second, to the payment of the Interest Installments and interest then due and payable on the entire principal amount of the unpaid Parity Obligations, and the unpaid Principal Installments and the principal amount of the Parity Obligations, together in each case with any applicable prepayment premiums which have become due and payable, whether on the original due date or upon acceleration, with interest on the overdue Principal Installments at the rate or rates applicable to the Installment Payments and the principal and interest amounts of the unpaid Parity Obligations at the rate or rates of interest then applicable to such Parity Obligations, and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the Installment Payments and the Parity Obligations, together with such Interest Installments and interest on Parity Obligations, then to the payment thereof ratably, according to the principal and interest due, without any discrimination or preference;

Third, to the payment of the fees, costs and expenses of the Corporation, if any, in carrying out the provisions of this Article, including reasonable compensation to its agents, accountants and counsel and including any indemnification expenses.

Section 6.04 Remedies Not Exclusive; No Waiver of Rights. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive of any other available remedy or remedies, but each and every such remedy, to the extent permitted by law, shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or otherwise. In order to entitle the Corporation to exercise any remedy reserved to it contained in this Agreement, to the extent permitted by law, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. The District recognizes and agrees that such rights and remedies as are given to the Corporation hereunder shall also extend to the Trustee, as assignee of the Corporation's interests in this Agreement, and the Trustee may exercise any and all such rights and remedies to the same extent as the Corporation, subject to the Trustee's rights and protections under the Trust Agreement.

Section 6.05 Expenses on Default. In the event the District should default under any of the provisions of this Agreement and the Corporation should employ attorneys or incur other expenses for the collection of the payments due hereunder or the enforcement of performance or observance of any obligation or agreement of the District hereunder, the District agrees that it will on demand therefor pay to the Corporation the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Corporation.

Section 6.06 Application of Funds upon Default. All funds received by the Corporation pursuant to this Agreement or in connection with the enforcement of the terms hereof after the occurrence and during the continuation of an Agreement Event of Default shall be applied as provided in Section 9.03 of the Trust Agreement.

Section 6.07 Non-Waiver. A waiver by the Corporation of any District default or breach of duty or agreement shall not affect any subsequent District default or breach of duty or agreement or impair any rights or remedies of the Corporation with respect to any such subsequent default or breach of duty or agreement. No delay or omission by the Corporation to exercise any right or remedy accruing upon any default or breach of duty or agreement shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or agreement or an acquiescence therein, and every right or remedy conferred upon the Corporation by law or by this Agreement may be enforced and exercised from time to time and as often as shall be deemed expedient by the Corporation.

Section 6.08 Termination of Proceedings. If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned by the Corporation or determined adversely to the Corporation, the District and the Corporation shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

ARTICLE VII

DISCHARGE OF INSTALLMENT PAYMENT OBLIGATION

Section 7.01 Discharge of Installment Payment Obligation. If the District shall pay or cause to be paid all the Installment Payments and all other amounts payable by the District hereunder at the times and in the manner provided herein, the right, title and interest of the Corporation herein and hereto, and the obligations of the District under this Agreement shall cease, terminate, become void and be completely discharged and satisfied.

Section 7.02 Discharge of Particular Installment Payments on Due Date. Any Installment Payment shall, on its payment date whether at the respective due date thereof or upon acceleration or prepayment, be deemed to have been paid within the meaning of and with the effect expressed in Section 7.01 if the District makes payment of such Installment Payment and the prepayment premium, if applicable, in the manner provided herein.

Section 7.03 Discharge of Principal Installments. Any unpaid Principal Installment shall, prior to its due date or date of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in Section 7.01 (except only that the right of the Corporation to receive payment of such Principal Installment and the Interest Installments

relating thereto to the due date or date of prepayment thereof, as applicable, but only out of the money and Defeasance Securities deposited with the Trustee for such payment, shall continue), if there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities which are not subject to redemption prior to maturity except by the holder thereof (including any such securities issued or held in book-entry form), the interest on and principal of which when paid will provide money which, together with money, if any, deposited with the Trustee for such purpose, shall be sufficient (as evidenced by a report of an Independent Certified Public Accountant regarding such sufficiency) to pay when due such Principal Installment (or such portion thereof) on its payment date or its date of prepayment, as the case may be, the Interest Installments with respect to such Principal Installment due on and prior to such payment date or date of prepayment, and the prepayment premium, if any, on the portion of the Certificates evidenced by such Principal Installment upon any prepayment thereof in accordance with the Trust Agreement.

Section 7.04 Accounting. After the payment, or provision for the payment as provided in subsection (c) of this Section, of all Principal Installments, and payment in full of all fees and expenses of the Corporation, the Corporation, upon request of the District, shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and the Corporation shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such total discharge and satisfaction of this Agreement.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Liability of District Limited to Net Revenues. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Net Revenues for the payment of the Installment Payments or for the performance of any agreements or covenants required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

Section 8.02 Amendments. The Corporation and the District shall not supplement, amend, modify or terminate any of the terms of this Agreement unless the conditions set forth in Section 6.06 of the Trust Agreement have been satisfied.

Section 8.03 Assignment of Agreement. The District hereby acknowledges that the Corporation, for good and valuable consideration, has transferred, assigned and set over to the Trustee, pursuant to the provisions of the Trust Agreement, all of the Corporation's right, title and interest in and to this Agreement, including its right to receive and enforce the payment of Installment Payments. The District hereby acknowledges and agrees to such assignment. The Corporation hereby authorizes and directs the District to make all payments required or permitted under this Agreement to the Trustee. References herein to the Corporation's rights hereunder, including the Corporation's rights to receive and enforce the payment of the Installment Payments hereunder (but not the obligations of the Corporation hereunder, it being

understood that the Trustee shall not assume any responsibility for any duties or covenants or warranties of the Corporation hereunder) shall be construed to be references to the Trustee. To the extent that the Trustee receives any budgets, financial statements or other reports hereunder, it shall hold such documents solely as a repository for the Owners and shall have no duty to analyze or review such documents.

Except for the assignment by the Corporation to the Trustee pursuant to the Trust Agreement, neither the Corporation nor the District shall assign or otherwise transfer any of its respective right, title and interest in and to this Agreement for any reason.

Section 8.04 Benefits of Agreement. The Owners of the Outstanding Certificates shall be express third party beneficiaries of this Agreement. Nothing contained in this Agreement, expressed or implied, is intended to give to any Person other than the Corporation, the Trustee, the District and the Owners of the Outstanding Certificates any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the Corporation or the District shall be for the sole and exclusive benefit of the other party hereto and the Trustee and the Owners of the Outstanding Certificates.

Section 8.05 Successors. Whenever the District is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, and all agreements and covenants required hereby to be performed by or on behalf of the District shall bind and inure to the benefit of the respective successors to the District whether so expressed or not.

Section 8.06 Waiver of Personal Liability. No officer or employee of the District shall be individually or personally liable for the payment of the Installment Payments or the performance or satisfaction of any other obligation of the District hereunder, but nothing contained herein shall relieve any officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or by the terms of this Agreement.

Section 8.07 Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. Unless otherwise indicated, all references herein to "Articles," "Sections," "Exhibits" and other subdivisions or clauses are to the corresponding articles, sections, exhibits, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to this Agreement as a whole and not to any particular article, section, exhibit, subdivision or clause hereof.

Section 8.08 Partial Invalidity. If any one or more of the agreements or covenants, or portions thereof, required to be performed by or on the part of the Corporation or the District under this Agreement shall be prohibited, unenforceable, not authorized, invalid otherwise contrary to law in any jurisdiction or as applied to any Person or circumstance, then such agreement or agreements, such covenant or covenants or such portions thereof, or the application thereof to such person or circumstance, shall be null and void and shall be deemed separable from the remaining agreements and covenants contained herein and shall in no way affect the

validity hereof in any other jurisdiction or the application thereof to any other Person or circumstance or the validity of such remaining provisions hereof as applied to such jurisdiction, Person or circumstance. The Corporation and the District hereby declare that they would have executed this Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any Person or circumstance may be held to be prohibited, unenforceable, not authorized, invalid otherwise contrary to law.

Section 8.09 Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State with respect to contracts made and to be performed in the State.

Section 8.10 Notices. All notices, certificates or other communications hereunder shall be deemed sufficiently given upon actual receipt thereof when received by the District, the Corporation or the Trustee, as the case may be, at the respective address provided pursuant to Section 11.08 of the Trust Agreement or, if mailed by first class mail, postage prepaid, addressed to the appropriate address provided pursuant to Section 11.08 of the Trust Agreement, three Business Days after deposit in the United States mail.

Unless otherwise requested by the District, the Corporation or the Trustee, any notice, certificate or other communication required to be given hereunder in writing may be given by any form of telephonic or electronic transmission capable of making a written record of receipt. All notices, certificates or other communications hereunder given by telephonic or electronic transmission shall be deemed sufficiently given upon actual receipt thereof when received by the District, the Corporation or the Trustee, as the case may be. Each such party shall file with the Trustee information appropriate to receiving such form of telephonic or electronic transmission. Any of the parties noted above may, by notice given hereunder, designate any different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 8.11 Funds. Any fund required to be established and maintained herein by the District may be established and maintained in the accounting records of the District either as an account or a fund or a number of accounts or funds and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to any such fund shall at all times be maintained in accordance with sound accounting practice.

Section 8.12 Term of Agreement. This Agreement shall become effective when each party hereto shall have received a counterpart hereof duly executed by the other party, and, except as otherwise specifically provided with respect to particular provisions hereof, shall terminate when all Installment Payments and any other amounts payable by the District hereunder shall have been fully paid as and when the same have become due (or, with respect to the Installment Payments, provision for the payment thereof shall have been made pursuant to Article VII).

Section 8.13 Entire Agreement. This Agreement, together with the Trust Agreement, and the documents referred to herein and therein, represent the entire agreement of the parties

hereto with respect to the subject matter hereof and supercede all prior agreements and understandings, whether written or oral, between the parties hereto with respect to the subject matter hereof.

Section 8.14 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each such counterpart shall be deemed an original, but all of such counterpart shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in its name and on its behalf by their respective officers thereunto duly authorized, as of the day and year first written above.

IRVINE RANCH WATER DISTRICT

By: _____
President

By: _____
Secretary

IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

By: _____
President

By: _____
Secretary

EXHIBIT A

DESCRIPTION OF PROPERTY

The Property shall consist of the real property described below together with all improvements thereon:

[The Michelson Water Reclamation Plant Biosolids and Energy Recovery Facilities, including reimbursements to the District for any such costs, which includes the attached.]

[See attached.]

EXHIBIT B

SCHEDULE OF INSTALLMENT PAYMENTS

Principal Installment Payment Date March 1	Principal Installment	Interest Rate
2027	$	%
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		

Note: This page is intentionally left blank.

Kutak Rock LLP
Draft of 7/6/26

$_____
Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

CONTRACT OF PURCHASE

August __, 2026

Board of Directors
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618

Ladies and Gentlemen:

J.P. Morgan Securities LLC (the "**Representative**"), as representative of itself and Goldman Sachs & Co. LLC, Truist Securities, Inc. and Wells Fargo Bank, National Association (together with the Representative, the "**Underwriters**"), hereby offers to enter into this Contract of Purchase with the Irvine Ranch Water District (the "**District**") for the execution and delivery by the District and the purchase by the Underwriters of the Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 (the "**Certificates**"). This offer is made subject to acceptance by the District prior to 8:00 P.M., California Time, on the date hereof and, upon such acceptance, this Contract of Purchase shall be in full force and effect in accordance with its terms and shall be binding upon the District and the Underwriters. All terms that are not defined herein have the meanings set forth in the Official Statement (as such term is defined herein).

1. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase and the District hereby agrees to sell to the Underwriters all (but not less than all) of the aggregate principal amount of the Certificates (as more fully described in the Official Statement), at an aggregate purchase price of $_____ (representing the principal amount thereof, plus an original issue premium of $_____ and less an underwriters' discount of $_____). The Certificates shall be dated the date of their delivery and shall mature on the dates and in the principal amounts, and shall bear interest, as shown on Exhibit A. The Certificates are being delivered to provide funds: (i) to refund a portion of the outstanding Irvine Ranch Water District Certificates of Participation Series 2016 (the "**2016 Certificates**"); (ii) to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District; and (iii) to pay certain costs of executing and delivering the Certificates.

The Underwriters agree to make an initial public offering of all of the Certificates at the price or prices described in Exhibit A. The Underwriters reserve the right to change the initial public offering prices of the Certificates as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Certificates (but in all cases subject to Section 14), and may offer and sell Certificates to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to Section 14).

The Certificates shall be as described in, and shall be secured under and pursuant to, the Trust Agreement, dated as of August 1, 2026 (the "**Trust Agreement**"), by and among the District, the Irvine Ranch Water District Water Service Corporation (the "**Corporation**") and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), substantially in the form that was previously submitted to the Underwriters with only such changes therein as shall be mutually agreed upon by the District and the Underwriters. The Certificates are payable from the following sources: (i) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (ii) certain moneys and investment earnings in certain funds and accounts created under the Trust Agreement.

The District acknowledges and agrees that: (a) the purchase and sale of the Certificates pursuant to this Contract of Purchase is an arm's-length commercial transaction between the District and the Underwriters, and the only obligations that the Underwriters have to the District with respect to the transaction contemplated hereby expressly are set forth in this Contract of Purchase; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, each Underwriter is and has been acting solely as a principal and is not acting as a Municipal Advisor (as such term is defined in Section 15B of The Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), financial advisor, agent or fiduciary to the District; (c) the Underwriters have not assumed (individually or collectively) any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriter, or any affiliate of an Underwriter, has provided other services or is currently providing other services to the District on other matters); (d) the Underwriters have (individually and collectively) financial and other interests that may differ from and be adverse to those of the District; (e) the District has consulted its own legal, financial and/or municipal, accounting, tax and other advisors to the extent that it has deemed appropriate; and (f) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the District and the Underwriters.

2. The District has approved the use and electronic distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement relating to the Certificates dated July __, 2026 in connection with the public offering of the Certificates (the "**Preliminary Official Statement**"). The District has deemed the Preliminary Official Statement final as of the date thereof for purposes of Rule 15c2-12 promulgated under the Exchange Act ("**Rule 15c2-12**"), except for information that is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12. The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than one business day preceding the Closing (as such term is defined herein): (a) the form of the final Official Statement relating to the Certificates in "designated electronic format" (as defined in Municipal Securities Rulemaking Board ("**MSRB**") Rule G-32) which permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission, including in a word-searchable pdf format; and (b) copies of the final Official Statement relating to the Certificates, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Representative (including the appendices thereto and any amendments or supplements as have been approved by the District and the Representative, the "**Official Statement**"), in such quantity as the Underwriters shall reasonably request. The District hereby approves of the distribution and use by the Underwriters of the Official Statement and the District Documents (as such term is defined herein) in connection with the offer and sale of the Certificates. The Preliminary Official Statement and/or the Official

Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the District and the Underwriters. If the Official Statement is prepared for distribution in electronic form, the District hereby confirms that it does not object to distributions of the Official Statement in electronic form.

3. The District warrants, represents to and agrees with the Underwriters that:

(a) The District is a California water district duly organized and existing under and by virtue of the California Water District Law, constituting Division 13 of the Water Code of the State of California (the "**State**") and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties and consummate all obligations and transactions required or contemplated by: (i) the Trust Agreement; (ii) the Installment Sale Agreement, dated as of August 1, 2026 (the "**ISA**"), by and between the District and the Corporation; (iii) the Continuing Disclosure Certificate relating to the Certificates, dated the date of Closing (the "**Continuing Disclosure Certificate**"), executed by the District; (iv) the Escrow Agreement, dated as of August 1, 2026 (the "**Escrow Agreement**"), by and among the District, the Corporation and U.S. Bank Trust Company, National Association, as escrow agent and 2016 Certificate trustee; and (v) this Contract of Purchase (collectively, the "**District Documents**") and, when executed and delivered by the respective parties thereto, the District Documents will constitute legal, valid and binding obligations of the District enforceable in accordance with their respective terms.

(b) The execution and delivery of the District Documents and compliance with the provisions on the District's part contained herein and therein, and execution and delivery of the Official Statement, will not conflict with, or constitute a breach of, or default under, the District's duties under said documents or any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest with respect to the Certificates from the sources that are specified in the ISA, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement and the ISA.

(c) By official action of the District prior to or concurrently with the acceptance hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in, the District Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed.

(d) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the District which is required for the execution and delivery of the District Documents, the execution, delivery and sale of the Certificates or the

consummation by the District of the other transactions contemplated by the Official Statement and this Contract of Purchase.

(e) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or threatened against the District affecting the existence of the District or challenging the title of any director of the District or the President of the Board of Directors of the District to their respective offices, or seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates, or the collection of the revenues pledged pursuant to the ISA, or the pledge thereof, in any way contesting or affecting the validity or enforceability of the District Documents or the Certificates, in any way contesting the powers of the District or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement or in which a final adverse decision could materially adversely affect the operations or financial condition of the District or the ability of the District to perform its obligations under the District Documents.

(f) The District is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest with respect to the Certificates, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and which default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents.

(g) The information contained in the Preliminary Official Statement as of its date was and as of the date hereof is, and in the Official Statement as of its date is and at all times up to and including the date of the Closing will be, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no warranty, representation or agreement is made as to information contained under the caption "THE CERTIFICATES—Book-Entry Only System" or in Appendix E thereto.

(h) The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order: (i) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate; and (ii) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualification in effect so long as required for distribution of the Certificates; provided, however, that the District will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(i) As of the date thereof and at all times subsequent thereto, to and including the date which is 25 days following the End of the Underwriting Period (as such term is defined herein) for the Certificates, the Official Statement did not and, if no event as described in the immediately following subparagraph occurs or, if such event occurs, the information contained in the Official

Statement as amended or supplemented pursuant to such paragraph, will 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.

(j) During the period between the date of this Contract of Purchase and the date which is 25 days following the End of the Underwriting Period, the District: (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative; and (ii) if an event occurs, of which the District has knowledge, which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact that is required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the District will promptly notify the Representative, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will cooperate with the Underwriters in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Representative, provided that all expenses thereby incurred will be paid for by the District.

(k) If the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Certificates, the Official Statement as so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact that is required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading.

(l) As used herein and for the purposes of the foregoing, the term "**End of the Underwriting Period**" shall mean the Closing unless the Underwriters advise the District that the Underwriters continue to hold Certificates for sale at the time of the Closing, in which case the "End of the Underwriting Period" shall have the meaning set forth in Rule 15c2-12.

(m) The financial statements of the District contained in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of operations of the District as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles consistently applied and, other than as has been disclosed to the Underwriters and described in the Official Statement, there has been no material adverse change in the financial position or results of operations of the District since June 30, 2025.

(n) As of the date of Closing, other than as has been disclosed to the Underwriters and described in the Official Statement, there shall have been no increases in the long term debt of the District since June 30, 2025, or in any debt of the District secured by a pledge of or payable from Revenues or Net Revenues since June 30, 2025.

(o) Between the date hereof and the Closing, without the prior written consent of the Underwriters, the District will not have offered or issued any bonds, notes or other obligations for borrowed money on behalf of the District, except for such borrowings as may be described in or contemplated by the Official Statement.

(p) Except as disclosed in the Official Statement, the District has not within the last five years failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports of financial and operating data or notices of material events.

(q) The District, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

The execution and delivery of this Contract of Purchase by the District shall constitute a representation by the District to the Underwriters that the representations and warranties contained in this Section 3 are true and correct as of the date hereof.

4. At 8:00 A.M., California Time, on August __, 2026 (the "**Closing Date**"), or at such other time or on such earlier or later date as the District and the Underwriters mutually agree upon (herein called the "**Closing**"), the District will deliver or cause to be delivered: (a) to The Depository Trust Company in New York, New York ("**DTC**") or to such other place as the District and the Underwriters mutually agree upon, the Certificates in definitive form, duly executed; and (b) at the offices of Orrick, Herrington & Sutcliffe LLP, 355 South Grand Avenue, Suite 2700, Los Angeles, California 90071 ("**Special Counsel**"), or such other place as the District and the Underwriters mutually agree upon, the other documents hereinafter mentioned. The Certificates will be initially executed and delivered in the form of a separate single fully registered certificate for each separate stated maturity. Upon initial execution and delivery, the ownership of such Certificates shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as the nominee of DTC.

CUSIP identification numbers shall be printed on the Certificates, but the failure to print such number on any Certificate or any error with respect thereto shall not constitute cause for a failure or refusal by the Underwriters to accept delivery of, or pay for, the Certificates in accordance with the terms of this Contract of Purchase. All expenses in relation to the printing of CUSIP numbers on said Certificates and the CUSIP Service Bureau charge for the assignment of said numbers shall be paid for by the District from Certificate proceeds.

The Underwriters will accept delivery of the Certificates and pay the purchase price thereof in immediately available funds to the order of the Trustee in an amount equal to the purchase price. The Certificates will be made available for checking not later than 12:00 noon on the business day prior to the Closing.

5. The Underwriters have entered into this Contract of Purchase in reliance upon the representations and warranties of the District contained herein, all other representations, warranties and agreements to be contained in the documents and instruments to be delivered at Closing and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Contract of Purchase are and shall be subject to the following further conditions:

(a) at the time of Closing: (i) the District Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto; (ii) the District Documents and the Official Statement shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Underwriters; (iii)

the District Documents and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriters; (iv) there shall be in full force and effect such resolutions as, in the opinion of Special Counsel, shall be necessary in connection with the transactions contemplated hereby; and (v) the representations and warranties of the District contained herein shall be true, correct and complete in all material respects on the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) at or prior to the Closing, the Underwriters shall receive the following documents, in each case satisfactory in form and substance to the Underwriters and their counsel:

(1) The unqualified approving opinion of Special Counsel, dated the date of Closing, addressed to the District, substantially in the form attached to the Official Statement as Appendix D, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriters and the Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriters and the Trustee to the same extent as if such opinion were addressed to the Underwriters and the Trustee.

(2) The supplemental opinion of Special Counsel in form and substance satisfactory to the Underwriters, dated the date of Closing and addressed to the Representative, to the effect that:

(i) the Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**");

(ii) the Contract of Purchase has been duly executed and delivered by the District and is a valid and binding agreement of the District; and

(iii) the statements contained in the Official Statement under the captions "THE CERTIFICATES" (excluding information under the caption "Book-Entry Only System"), "SECURITY FOR THE CERTIFICATES," "SECURITY FOR THE INSTALLMENT PAYMENTS," "TAX MATTERS" and in Appendices C [and D], excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Trust Agreement, the ISA and certain matters addressed in Special Counsel's final legal opinion, are accurate in all material respects.

(3) An opinion of Hanson Bridgett, LLP, Los Angeles, California, general counsel for the District, dated the date of Closing and addressed to the District and the Underwriters to the effect that:

(i) the District is a California water district that is duly organized and existing under and by virtue of the California Water District Law, constituting Division 13 of the Water Code of the State, and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties under the District Documents and, assuming the due authorization, execution and delivery of the District Documents by the other parties thereto, as applicable, the District Documents constitute legal, valid and binding obligations of the District that are enforceable in accordance with their respective terms, except as such enforceability may be

limited by bankruptcy, insolvency, reorganization or other laws affecting creditors, remedies generally or the application of equitable principles when equitable remedies are sought, or except as rights of indemnity may be limited by principles of public policy;

(ii) the District's execution and delivery of the District Documents and the performance by the District of its obligations contained therein, and the District's execution and delivery of the Official Statement, will not and do not conflict with, or constitute a breach of or default under, the District's duties under the District Documents or, to the best of such counsel's knowledge, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest with respect to the Certificates, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the ISA and the Trust Agreement;

(iii) by official action of the District prior to the date hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of its obligations contained in, the District Documents and the consummation by it of all other transactions on its part contemplated by this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed;

(iv) except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the District which is required for the execution and delivery of the District Documents, the execution and sale of the Certificates or the consummation by the District of the other transactions contemplated by the Official Statement and this Contract of Purchase;

(v) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or, to the best of such counsel's knowledge, threatened against the District affecting the existence of the District, challenging the title of any director of the District or the President of the Board of Directors of the District to their respective offices, seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates, the collection of the Revenues pledged pursuant to the ISA or the pledge thereof, in any way contesting or affecting the validity or enforceability of the District Documents or the Certificates, in any way contesting the powers of the District or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement, or in which a final adverse decision could materially adversely affect the operations or financial condition of the District or the ability of the District to perform its obligations under the District Documents;

(vi) to the best of such counsel's knowledge, the District is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest with respect to the Certificates, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which default or event of default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents; and

(vii) the information contained in the Preliminary Official Statement under the caption "LITIGATION" as of its date and as of the date of this Contract of Purchase was and is, and in the Official Statement under the caption "LITIGATION" as of its date and as of the Closing was and is, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(4) An opinion of Hanson Bridgett, LLP, Los Angeles, California, general counsel for the Corporation, dated the date of Closing and addressed to the Corporation and the Underwriters to the effect that:

(i) the Corporation is a nonprofit public benefit corporation that is duly organized and existing under and by virtue of the California Nonprofit Public Benefit Corporation Law, constituting Division 2 of Title 1 of the Corporations Code of the State, and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties under the District Documents other than the Continuing Disclosure Certificate (collectively, the "**Corporation Documents**") and, assuming the due authorization, execution and delivery of the Corporation Documents by the other parties thereto, as applicable, the Corporation Documents constitute legal, valid and binding obligations of the Corporation that are enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors, remedies generally or the application of equitable principles when equitable remedies are sought, or except as rights of indemnity may be limited by principles of public policy;

(ii) the Corporation's execution and delivery of the Corporation Documents and the performance by the Corporation of its obligations contained therein will not and do not conflict with, or constitute a breach of or default under, the Corporation's duties under the Corporation Documents or, to the best of such counsel's knowledge, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the Corporation's ability to perform its obligations under the Corporation Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement;

(iii) by official action of the Corporation prior to the date hereof, the Corporation has duly authorized and approved the execution and delivery of, and the performance by the Corporation of its obligations contained in, the Corporation Documents and the consummation by it of all other transactions on its part contemplated by this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the Corporation that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed;

(iv) except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the Corporation which is required for the execution and delivery of the Corporation Documents, the execution and sale of the Certificates or the consummation by the Corporation of the other transactions contemplated by the Official Statement and this Contract of Purchase;

(v) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or, to the best of such counsel's knowledge, threatened against the Corporation affecting the existence of the Corporation , challenging the title of any director of the Corporation or the President of the Board of Directors of the Corporation to their respective offices, seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates, the collection of the Revenues pledged pursuant to the ISA or the pledge thereof, in any way contesting or affecting the validity or enforceability of the Corporation Documents or the Certificates, in any way contesting the powers of the Corporation or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement, or in which a final adverse decision could materially adversely affect the operations or financial condition of the Corporation or the ability of the Corporation to perform its obligations under the Corporation Documents;

(vi) to the best of such counsel's knowledge, the Corporation is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or is otherwise subject, which breach or default could have a material adverse effect upon the Corporation's ability to perform its obligations under the Corporation Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which default or event of default could have a material adverse effect upon the Corporation's ability to perform its obligations under the Corporation Documents; and

(vii) the information contained in the Preliminary Official Statement under the caption "LITIGATION" as of its date was, and in the Official Statement under the caption "LITIGATION" is, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(5) An opinion of counsel to the Trustee, dated the date of Closing addressed to the District and the Underwriters, in the form and substance satisfactory to Special Counsel, the Underwriters and counsel to the Underwriters.

(6) The opinion of Kutak Rock LLP, counsel to the Underwriters, dated the date of Closing and addressed to the Representative, substantially to the effect that:

(i) the Certificates are exempt from registration pursuant to the Securities Act, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act;

(ii) the provisions of the Continuing Disclosure Certificate comply with the requirements of Section (b)(5)(i) of Rule 15c2-12 to provide certain annual financial information and event notices to various information repositories at the times and as required by Rule 15c2-12; and

(iii) based upon an examination that they have made, and without having undertaken to determine independently or assuming any responsibility for the accuracy or completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, as a matter of fact and not opinion, such counsel advises that, during the course of representation of the Underwriters on the matter, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such representation that caused such counsel to believe that the Preliminary Official Statement, as of its date and as of the date of this Contract of Purchase, and the Official Statement as of its date and as of the Closing (except for: (I) the expressions of opinion, the assumptions, the projections, the financial statements, or other financial, numerical, economic, demographic or statistical data contained in the Official Statement; (II) any CUSIP numbers or information relating thereto; (III) any information contained in Appendices B through F to the Official Statement; (IV) any information with respect to DTC and DTC's book-entry system; (V) any information incorporated by reference into the Official Statement; and (VI) information with respect to the ratings on the Certificates and the rating agencies referenced therein, including but not limited to information under the caption "RATINGS"), contained or contains any untrue statement of a material fact or omitted 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.

(7) A certificate, dated the date of Closing, signed by a duly authorized official of the District satisfactory in form and substance to the Underwriters and counsel to the Underwriters, to the effect that the representations and warranties made by the District in this Contract of Purchase are true and correct as of the date of Closing.

(8) A certificate, dated the date of Closing, signed by a duly authorized official of the Corporation satisfactory in form and substance to the Underwriters and counsel to the Underwriters, to the effect that:

(i) the Corporation is a nonprofit public benefit corporation that is duly organized and existing under and by virtue of the California Nonprofit Public Benefit Corporation Law, constituting Division 2 of Title 1 of the Corporations Code of the State, and has all necessary power and authority to enter into and perform its duties and consummate all obligations and transactions required or contemplated by the Corporation Documents and, when executed and

delivered by the respective parties thereto, the Corporation Documents will constitute legal, valid and binding obligations of the Corporation enforceable in accordance with their respective terms;

(ii) the execution and delivery of the Corporation Documents and compliance with the provisions on the Corporation's part contained herein and therein will not conflict with, or constitute a breach of, or default under, the Corporation's duties under said documents or any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the Corporation's ability to perform its obligations under the Corporation Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement and the ISA;

(iii) by official action of the Corporation prior to or concurrently with the acceptance hereof, the Corporation has duly authorized and approved the execution and delivery of, and the performance by the Corporation of the obligations on its part contained in, the Corporation Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the Corporation that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed;

(iv) except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the Corporation which is required for the execution and delivery of the Corporation Documents, the execution and sale of the Certificates or the consummation by the Corporation of the other transactions contemplated by the Official Statement and this Contract of Purchase;

(v) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or threatened against the Corporation affecting the existence of the Corporation or challenging the title of any director of the Corporation or the President of the Board of Directors of the Corporation to their respective offices, or seeking to prohibit, restrain or enjoin the execution or delivery of the Certificates, or the collection of the revenues pledged pursuant to the ISA, or the pledge thereof, in any way contesting or affecting the validity or enforceability of the Corporation Documents or the Certificates, in any way contesting the powers of the Corporation or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement or in which a final adverse decision could materially adversely affect the operations or financial condition of the Corporation or the ability of the Corporation to perform its obligations under the Corporation Documents;

(vi) the Corporation is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or is otherwise subject, which breach or default could have a

material adverse effect upon the Corporation ability to perform its obligations under the Corporation Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and which default could have a material adverse effect upon the Corporation's ability to perform its obligations under the Corporation Documents; and

(vii) the Corporation, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

(9) A certificate, dated the date of Closing, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Underwriters and counsel to the Underwriters, to the effect that:

(i) the Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America and has the full power and authority to enter into and perform its duties under the Trust Agreement and to execute and deliver the Certificates thereunder;

(ii) the Trustee is duly authorized to enter into the Trust Agreement and to execute and deliver the Certificates pursuant to the terms of the Trust Agreement, and has duly executed and delivered the Trust Agreement, and assuming due authorization and execution by the District and the Corporation, the Trust Agreement is legal, valid and binding upon the Trustee, and enforceable against the Trustee in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the rights of creditors generally, and by the availability of equitable remedies;

(iii) the Trustee has duly executed the Certificates under the Trust Agreement and delivered the Certificates to or upon the order of the Underwriters;

(iv) no consent, approval, authorization or other action by any governmental or regulatory authority that has jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Certificates or the consummation by the Trustee of its obligations under the Trust Agreement;

(v) the execution and delivery by the Trustee of the Trust Agreement, compliance with the terms thereof and the execution and delivery of the Certificates will not and do not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Trustee is a party or by which it is bound, or, to the Trustee's knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body that has jurisdiction over the Trustee or any of its activities or properties, or (except with respect to the lien of the Trust Agreement) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee; and

(vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending or, to

the best knowledge of the Trustee, threatened against or affecting the existence of the Trustee or seeking to prohibit, restrain or enjoin the execution of the Certificates, in any way contesting or affecting the validity or enforceability of the Trust Agreement against the Trustee or contesting the powers of the Trustee or its authority to enter into and perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would, in any way, adversely affect the validity of the Certificates, the Trust Agreement, or any agreement or instrument to which the Trustee is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby and by the Official Statement.

(10) Executed copies of each of the District Documents.

(11) Copies of the Preliminary Official Statement and copies of the Official Statement, with the Official Statement executed on behalf of the District by an authorized representative of the District.

(12) Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Certificates and the Trust Agreement.

(13) Copies of resolutions adopted by the District and certified by the Secretary of the District, authorizing or ratifying the execution and delivery of the District Documents and the approval of the Official Statement.

(14) Evidence satisfactory to the Underwriters that the Certificates have been assigned the ratings set forth in the Preliminary Official Statement and the Official Statement.

(15) Specimen Certificates.

(16) An executed Rule 15c2-12 certificate of the District, dated the date of the Preliminary Official Statement.

(17) Evidence of required filings with the California Debt and Investment Advisory Commission relating to the Certificates.

(18) A copy of the executed Blanket Issuer Letter of Representations by and between the District and DTC relating to the book-entry system.

(19) A report of a third party consultant with respect to the District's past compliance with continuing disclosure obligations under Rule 15c2-12.

(20) A Tax Certificate, dated the date of Closing, with respect to maintaining the tax-exempt status of the Certificates.

(21) An executed Internal Revenue Service Form 8038-G, dated the date of Closing.

(22) Evidence that the execution and delivery of the Certificates is authorized by the District's Debt Management Policy.

(23) A certificate of the District demonstrating that the execution and delivery of the Certificates is permissible under the District's additional Parity Obligations test.

(24) The letter of Stradling Yocca Carlson & Rauth LLP, as disclosure counsel to the District ("**Disclosure Counsel**") dated the Closing Date and addressed to the District and to the Underwriters, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, but on the basis of their participation in conferences with representatives of the District, Special Counsel, the District's Municipal Advisor, the Underwriters and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Preliminary Official Statement, as of its date and as of the date of this Contract of Purchase, and the Official Statement, as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omits 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 (except that no opinion or belief need be expressed as to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, assessed valuations or environmental matters contained in the Official Statement; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices to the Preliminary Official Statement or the Official Statement; (v) any information incorporated by reference into the Preliminary Official Statement or the Official Statement; (vi) any information with respect to the Underwriters or underwriting matters with respect to the Certificates, including but not limited to information under the caption "UNDERWRITING"; and (vii) information under the captions "TAX MATTERS" and "LITIGATION").

(25) A copy of the Blue Sky Survey with respect to the Certificates.

(26) A verification report and a defeasance opinion of Special Counsel with respect to the refunding of the 2016 Certificates.

(27) Evidence that the Corporation is in good standing with the California Secretary of State and the Franchise Tax Board.

(28) Such additional legal opinions, certificates, proceedings, instruments and other documents as Special Counsel and counsel for the Underwriters may reasonably request to evidence compliance by the District with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(c) All matters relating to the Certificates and the sale thereof, the District Documents and the consummation of the transactions contemplated by this Contract of Purchase shall have been approved by the Underwriters and counsel for the Underwriters, which approval shall not be unreasonably withheld.

If the conditions to the Underwriters' obligations contained in this Contract of Purchase are not satisfied or waived, or if the Underwriters' obligations shall be terminated for any reason

permitted by this Contract of Purchase, this Contract of Purchase shall terminate and the Underwriters shall have no further obligation hereunder.

6. The Underwriters shall have the right to cancel their obligations to purchase the Certificates if, between the date hereof and the Closing, regardless of whether any of the following statements of fact were in existence or known of on the date of this Contract of Purchase:

(a) the marketability of the Certificates or the market price thereof, in the opinion of the Representative, has been materially adversely affected by an amendment to the Constitution of the United States or California or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Contract of Purchase in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation (whether or not then introduced) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee, or the presentment of legislation for the staff of either such Committee, or by the staff of the Joint Committee on taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or any release, announcement or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the District or of the interest on bonds or notes (including the Certificates);

(b) there shall exist any event which in the reasonable opinion of the Representative either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information that are contained therein not misleading in any material respect;

(c) there shall have occurred a declaration of war or any new outbreak of hostilities or other national or international calamity or crisis or the escalation of any such outbreak, calamity or crisis, the effect of such outbreak, calamity, crisis or escalation on the financial markets of the United States being such that it, in the reasonable opinion of the Representative, materially adversely affects the market price or marketability of the Certificates;

(d) there shall be in force a general suspension of trading on the New York Stock Exchange or other minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or such other exchange, whether by virtue of a determination by that exchange or such other exchange or by orders of the Securities and Exchange Commission or any other governmental authority;

(e) a general banking moratorium shall have been declared by either federal, California or New York authorities having jurisdiction over such matters, which moratorium is in force;

(f) there shall be established any new restrictions on transactions in securities that materially affect the free market for securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by the New York Stock Exchange or any other national securities exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order;

(g) an adverse event has occurred that affects the financial condition or operation of the District which, in the opinion of the Representative, requires or has required a supplement or amendment to the Official Statement;

(h) any rating of the Certificates shall have been downgraded, placed on credit watch or withdrawn by a national rating service, which, in the Representative's opinion, materially adversely affects the market price of the Certificates;

(i) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Representative, materially adversely affects the market price or marketability of the Certificates;

(j) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the execution, sale or delivery of the Certificates, or in any way contesting or affecting any authority for the validity of the proceedings authorizing and approving the District Documents;

(k) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market;

(l) any change in or particularly affecting the District, the California Water District Law, the authorizing resolutions related to the Certificates, the District Documents or the Revenues, as the foregoing matters are described in the Preliminary Official Statement or the Official Statement, which in the professional judgment of the Representative materially impairs the investment quality of the Certificates;

(m) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of the Certificates, or the execution, delivery, offering or sale of the Certificates, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect;

(n) any change or any development involving a prospective change in or affecting the business, properties or financial condition of the District, except for changes which the Preliminary Official Statement and Official Statement discloses are expected to occur;

(o) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the execution, sale or delivery of the Certificates, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the California Water District Law, the authorizing resolutions related to the Certificates, the District Documents or the existence or powers of the District with respect to its obligations under the District Documents; or

(p) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency that has jurisdiction of the subject matter shall be issued or made to the effect that the authentication, delivery, offering or sale of obligations of the general character of the Certificates, or the execution, delivery, offering or sale of the Certificates, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Certificates, or the Certificates, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act and the Exchange Act, or that the Trust Agreement needs to be qualified under the Trust Indenture Act.

7. After the Closing: (a) the District will not adopt any amendment of or supplement to the Official Statement to which the Underwriters shall object in writing or which shall be disapproved by counsel for the Underwriters; and (b) if any event that relates to or affects the District shall occur as a result of which it is necessary, in the opinion of counsel to the Underwriters, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to an initial purchaser of the Certificates, subject to Section 6(b), the District will forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) 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 that is necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to an initial purchaser of the Certificates, not misleading. For the purposes of this section, the District will furnish such information with respect to itself as the Underwriters may from time to time request.

8. Whether or not the transactions contemplated by this Contract of Purchase are consummated, all expenses and costs of the District that are incident to the performance of its obligations in connection with the authorization, execution, delivery and sale of the Certificates to the Underwriters, including, without limitation, the cost of printing or reproducing the Certificates, the District Documents, the Preliminary Official Statement and the Official Statement and all ancillary papers (in reasonable quantities), credit rating agency fees, advertising fees, the costs of obtaining CUSIP numbers for the Certificates, the fees of the Trustee and its counsel, the fees and costs of the District's General Counsel, Special Counsel, Disclosure Counsel, Municipal Advisor, any financial advisor and related services, shall be paid from the proceeds of the Certificates or other revenues of the District, and to the extent or in the event not so paid shall be paid by the District. The District shall pay for expenses (included in the expense component of the spread) incurred on behalf of the District's employees that are incidental to implementing this Contract of Purchase, including, but not limited to, meals, transportation, lodging and entertainment of those employees.

All other expenses and costs of the Underwriters incurred under or pursuant to this Contract of Purchase, including, without limitation, the cost of preparing this Contract of Purchase and other Underwriter documents, travel expenses and the fees and expenses of counsel to the Underwriters, shall be paid by the Underwriter (which may be included as an expense component of the Underwriters' discount).

9. Any notice or other communication to be given to the Underwriters may be given by delivering the same to J.P. Morgan Securities LLC, 2929 Century Park E, Floor 41, Los Angeles, California 90067, Attention: Tyler Old, telephone (310) 201-2708. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given the District under this Contract of Purchase may be given by delivering the same to the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California 92618, Attention: Executive Director of Finance.

10. This Contract of Purchase is made solely for the benefit of the District, the Corporation and the Underwriters (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the District in this Contract of Purchase shall remain operative and in full force and effect and shall survive the delivery of and payment for the Certificates regardless of: (a) any investigation made by or on behalf of the Underwriters; (b) delivery of and payment for the Certificates hereunder; or (c) any termination of this Purchase Agreement, other than pursuant to Section 6 (and in all events the agreements of the District pursuant to Section 8 shall remain in full force and effect notwithstanding the termination of this Purchase Agreement under Section 6. The Underwriters may not assign this Contract of Purchase without the written consent of the District.

11. This Contract of Purchase may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

12. This Contract of Purchase constitutes the entire agreement among the parties hereby with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Contract of Purchase shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

13. This Contract of Purchase shall be governed by the laws of the State of New York, without regard to choice of law rules (other than New York General Obligations Laws Section 5-1401 and 5-1402); provided, however, that the obligations of the District shall be governed by, and construed and interpreted in accordance with, the laws of the State.

14.

(a) The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Certificates and shall execute and deliver to the District 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 B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(b) Except as otherwise set forth in Exhibit A, the District will treat the first price at which 10% of each maturity of the Certificates (the "**10% test**") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Contract of Purchase, the Representative shall report to the District the price or prices at which the Underwriters have sold to the public each maturity of Certificates. If at that time the 10% test has not been satisfied as to any maturity of the Certificates, the Representative agrees to promptly report to the District the prices at which Certificates of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either: (i) all Certificates of that maturity have been sold; or (ii) the 10% test has been satisfied as to the Certificates of that maturity, provided that the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the District or Special Counsel. For purposes of this Section, if Certificates mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Certificates.

(c) The Representative confirms that the Underwriters have offered the Certificates to the public on or before the date of this Contract of Purchase at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Contract of Purchase, the maturities, if any, of the Certificates for which the 10% test has not been satisfied and for which the District and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the District 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 Certificates, the Underwriters will neither offer nor sell unsold Certificates 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:

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

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Certificates of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Certificates of that maturity allocated to it have been sold or it is notified by the Representative

that the 10% test has been satisfied as to the Certificates of that maturity, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative; and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires;

(B) to promptly notify the Representative of any sales of Certificates that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Certificates to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Certificates to the public to require each broker-dealer that is a party to such third-party distribution agreement to: (A) report the prices at which it sells to the public the unsold Certificates of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Certificates of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Certificates of that maturity, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer; and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representations set forth in this Section, the Representative will rely on: (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in an agreement among underwriters and the related pricing wires; (ii) in the event that a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer that is member of the selling group to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in the third-party distribution agreement and the related pricing wires; and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, and that no Underwriter shall be liable for the failure of any other Underwriter, of any dealer who is a member of a selling group or of any broker-dealer that is a party to a third-party distribution agreement to comply with its

corresponding agreement to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates.

(f) The Underwriters acknowledge that sales of any Certificates to any person that is a related party to an underwriter participating in the initial sale of the Certificates to the public (each such term being used as defined below) 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 District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates 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 Certificates to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Certificates to the public);

(iii) a purchaser of any of the Certificates is a "**related party**" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) more than 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); (B) 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 (C) 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 Contract of Purchase by all parties.

J.P. MORGAN SECURITIES LLC, as Representative of the Underwriters

By: _____
Authorized Signatory

Accepted and Agreed to:

IRVINE RANCH WATER DISTRICT

By: _____
Treasurer

EXHIBIT A
MATURITY SCHEDULE

$_____
Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

Maturity Date (March 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*10% Test Used*	*Hold-the-Offering-Price Used*
20__	$	%	%			

EXHIBIT B
FORM OF ISSUE PRICE CERTIFICATE

$_____
Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

The undersigned, on behalf of J.P. Morgan Securities LLC ("**JPM**") hereby certifies as set forth below with respect to the sale and delivery of the above-captioned obligations (the "**Certificates**"). JPM, as representative of the Underwriters of the Certificates, has relied on certifications made by the other Underwriters in making certain representations herein. Although such certifications cannot be independently verified by JPM, JPM has no reason to believe them to be untrue in any material respect.

1. ***Sale of the Certificates***. As of the Sale Date, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective prices listed in Schedule I.

2. ***Hold-the-Offering Price Maturities***. JPM offered the Hold-the-Offering-Price Maturities, if any, to the Public for purchase at the respective initial offering prices listed in Schedule I (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication, if applicable, for the Certificates is attached to this certificate as Schedule II.

As set forth in the Contract of Purchase, dated August __, 2026, by and between the Issuer and JPM, JPM 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 Certificates 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 Certificates during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Certificates listed in Schedule I hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Certificates, if any, 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 (August __, 2026); or (ii) the date on which the Underwriter 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 Irvine Ranch Water District.

(e) *Maturity* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates 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) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is August __, 2026.

(h) *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 Certificates 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 Certificates 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 Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents JPM's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated 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 Matters Certificate to which this certificate is included as an exhibit and with respect to compliance with the federal income tax rules affecting the Certificates, and by Orrick, Herrington & Sutcliffe LLP, Special Counsel, in connection with rendering its opinion that the interest with respect to the Certificates is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates.

J.P. MORGAN SECURITIES LLC

By: _____
Authorized Signatory

Dated: August __, 2026

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2026

NEW ISSUE – BOOK-ENTRY ONLY **Ratings: See the caption "RATINGS"**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the Interest Installments of the Installment Payments are excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and are exempt from State of California personal income taxes. In the further opinion of Special Counsel, the Interest Installments of the Installment Payments are not a specific preference item for purposes of the federal individual alternative minimum tax. Special Counsel observes that such Interest Installments included in adjusted financial statement income of certain corporations are not excluded from the federal corporate alternative minimum tax. Special Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Certificates, or the amount, accrual or receipt of Interest Installments of the Interest Payments. See "TAX MATTERS."

[IRWD LOGO]

$_____*

IRVINE RANCH WATER DISTRICT
Revenue Certificates of Participation, Series 2026

Dated: Date of Delivery **Due: March 1, as shown on the inside front cover**

The Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 are being executed and delivered pursuant to a Trust Agreement, dated as of August 1, 2026, by and among the Irvine Ranch Water District, the Irvine Ranch Water District Service Corporation and U.S. Bank Trust Company, National Association, as trustee. The proceeds of the Certificates will be used: (i) to finance the cost of certain capital improvements of the District; (ii) to refund a portion of the outstanding Certificates of Participation Irvine Ranch Water District Refunding Series 2016; and (iii) to pay certain costs of executing and delivering the Certificates. See the captions "THE PROJECT," "THE REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Certificates will be executed and delivered in book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers of the Certificates will not receive physical certificates representing their interests in Certificates purchased. DTC will act as securities depository for the Certificates. The principal and interest with respect to the Certificates are payable directly to DTC by the Trustee. Upon receipt of payments of such principal and interest, DTC is obligated to remit such principal and interest to DTC participants for subsequent disbursement to the Beneficial Owners of the Certificates.

The Certificates will be executed and delivered in denominations of $5,000 or any integral multiple thereof. Interest with respect to the Certificates is payable on each March 1 and September 1, commencing _____ 1, 20__.

The Certificates are subject to optional and mandatory sinking fund prepayment prior to maturity as described under the caption "THE CERTIFICATES—Prepayment of the Certificates." The Certificates are <u>not</u> subject to extraordinary mandatory prepayment prior to maturity.

The Certificates evidence undivided, proportionate ownership interests in Installment Payments to be made by the District pursuant to an Installment Sale Agreement, dated as of August 1, 2026, by and between the District and the Corporation. The District's obligation to make Installment Payments is a special obligation payable solely from Net Revenues. The District's obligation to make Installment Payments is on a parity with certain other Parity Obligations as described herein. The District has covenanted in the Installment Sale Agreement not to incur any obligations payable from Net Revenues prior to the Installment Payments, and not to incur additional obligations on a parity with the Installment Payments except as described herein.

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

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE INSTALLMENT SALE AGREEMENT, THE OBLIGATION OF THE DISTRICT TO PAY INSTALLMENT PAYMENTS AND THE OTHER PAYMENTS REQUIRED TO BE MADE BY THE DISTRICT THEREUNDER IS A SPECIAL OBLIGATION WHICH THE DISTRICT IS REQUIRED TO PAY ONLY FROM THE NET REVENUES AND NOT FROM ANY OTHER FUNDS OR MONEYS OF THE DISTRICT AND SUCH PAYMENT OBLIGATION DOES NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH IT IS OBLIGATED TO LEVY OR COLLECT ANY FORM OF TAXATION, INCLUDING *AD VALOREM* ASSESSMENTS, OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION, INCLUDING *AD VALOREM* ASSESSMENTS. THE OBLIGATION OF THE DISTRICT TO MAKE INSTALLMENT PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE DISTRICT IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE A DEBT OF THE CORPORATION, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT).

The Certificates will be offered when, as and if delivered, subject to the approval of the legality of the Installment Sale Agreement by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Special Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by Hanson Bridgett LLP, as general counsel to the District, by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel to the District, for the Underwriters by Kutak Rock LLP, and for the Trustee by its counsel. It is anticipated that the Certificates will be available for delivery through the facilities of DTC on or about _____ , 2026.

** Preliminary, subject to change.*

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

J.P. Morgan **Goldman Sachs & Co. LLC**

Wells Fargo **Truist**

Dated: _____, 2026

$_____*
IRVINE RANCH WATER DISTRICT
Revenue Certificates of Participation, Series 2026

Maturity Schedule

Base CUSIP®†: 463641

Maturity Date (March 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP®†*

$_____ _____% Term Certificate due March 1, 20__ – Yield _____%, Price: _____, CUSIP†: _____

$_____ _____% Term Certificate due March 1, 20__ – Yield _____%, Price: _____, CUSIP†: _____

* *Preliminary, subject to change.*

† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.*

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriters to give any information or to make any representation other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The Underwriters have provided the following sentence for inclusion in this Official Statement:

> The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information set forth in this Official Statement has been obtained from official sources and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the District since the date hereof.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." NO ASSURANCE CAN BE GIVEN THAT THE FUTURE RESULTS DISCUSSED HEREIN WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE FORECASTS DESCRIBED HEREIN. IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. THE PROJECTIONS CONTAINED IN THIS OFFICIAL STATEMENT WILL NOT BE UPDATED AS PART OF THE DISTRICT'S CONTINUING DISCLOSURE OBLIGATIONS FOR THE CERTIFICATES.

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

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Certificates.

IRVINE RANCH WATER DISTRICT
Orange County, California

Board of Directors

Steven E. LaMar, Division 2, *President*
Daniel R. Ferons, Division 4, *Vice President*
Douglas J. Reinhart, Division 3
Peer A. Swan, Division 5
John B. Withers, Division 1

Management

Paul A. Cook, *General Manager*
Neveen Adly, *Executive Director of Finance and Administration/Treasurer*
Kristine Swan, *Secretary*

District General Counsel

Hanson Bridgett LLP
Los Angeles, California

Special Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

Municipal Advisor

PFM Financial Advisors LLC
Los Angeles, California

Trustee

U.S. Bank Trust Company, National Association
Los Angeles, California

Verification Agent

[REGIONAL MAP]

[MAP OF DISTRICT]

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$_____*
Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

INTRODUCTION

This Introduction is subject in all respects to the more complete information contained and referenced elsewhere in this Official Statement. The offering of the Certificates to potential investors is made only by means of the entire Official Statement.

General

The purpose of this Official Statement, which includes the cover page and appendices, is to set forth certain information concerning the sale and delivery of the $_____* Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 (the "**Certificates**").

The Certificates evidence undivided, proportionate ownership interests in the installment payments (the "**Installment Payments**") that are payable by the Irvine Ranch Water District (the "**District**") under an Installment Sale Agreement, dated as of August 1, 2026 (the "**Installment Sale Agreement**"), by and between the District and Irvine Ranch Water District Water Service Corporation, a nonprofit public benefit corporation (the "**Corporation**"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of August 1, 2026 (the "**Trust Agreement**"), by and among the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). Pursuant to the Trust Agreement, the Corporation has assigned to the Trustee for the benefit of the Owners of the Certificates substantially all of the Corporation's rights under the Installment Sale Agreement, including the Corporation's right to receive Installment Payments and the Corporation's rights to enforce payment by the District of the Installment Payments when due.

The Certificates are being executed and delivered: (i) to finance the cost of certain capital improvements of the District; (ii) to refund a portion of the outstanding Certificates of Participation Irvine Ranch Water District Refunding Series 2016 (the "**2016 Certificates**"); and (iii) to pay certain costs of executing and delivering the Certificates. See the captions "THE PROJECT," "THE REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS."

Capitalized terms that are not defined in the forepart of this Official Statement have the meanings set forth in Appendix C.

The District

The District is a California water district, formed in 1961 under the authority of the California Water District Law, constituting Division 13 of the California Water Code (the "**Act**"). Currently there are seven water improvement districts and ten sewer improvement districts formed pursuant to the Act, which are geographical subdivisions of the District through which the District funds capital improvements. See Appendix A—"IRVINE RANCH WATER DISTRICT."

Security for the Certificates

Installment Payments. The Certificates evidence undivided, proportionate ownership interests in the Installment Payments payable by the District and are secured by amounts on deposit in certain funds and accounts established by the Installment Sale Agreement and the Trust Agreement. The District's obligation to make the Installment Payments is a special obligation payable solely from Net Revenues of the District's

* *Preliminary, subject to cahnge.*

water, sewer, reclaimed water and surface runoff Operating Systems. The obligations of the District to make the Installment Payments required under the Installment Sale Agreement, but only from the Net Revenues, and to perform and observe the other agreements on its part contained therein are absolute and unconditional, as further described under the caption "SECURITY FOR THE CERTIFICATES."

The District's obligation to make the Installment Payments under the Installment Sale Agreement from Net Revenues is on a parity with certain other Parity Obligations as described herein. District has covenanted in the Installment Sale Agreement not to incur any obligations payable from Net Revenues prior to the Installment Payments, and not to incur additional obligations on a parity with the Installment Payments except as described herein.

Reserve Fund. The Trust Agreement establishes a Reserve Fund for the Certificates. Pursuant to the Trust Agreement, the Reserve Requirement will be $0 and the District will not fund the Reserve Fund upon the execution and delivery of the Certificates. See the caption "SECURITY FOR THE CERTIFICATES—Reserve Fund."

Security for the Installment Payments

Pledge of Revenues. Pursuant to the Installment Sale Agreement, all Revenues are irrevocably pledged to the payment of Installment Payments, which pledge is on a parity with any pledge of Revenues securing Parity Obligations. The Installment Sale Agreement provides that such pledge is a first pledge of and charge and lien upon Revenues for the payment of the Installment Payments and other amounts due under the Installment Sale Agreement and all Parity Obligations after the payment of Operation and Maintenance Expenses. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Existing Parity Obligations" and Appendix A under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

The District is not precluded from issuing additional Obligations that are secured by a pledge of Revenues and payable from Net Revenues on a parity with the Installment Payments in accordance with the provisions of the Installment Sale Agreement, including future reimbursement obligations under letter of credit reimbursement agreements as provided therein. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Limitations on Parity and Superior Obligations." Without satisfying the requirements for the issuance of Parity Obligations, the District may issue obligations that are subordinate to the Installment Payments and other Parity Obligations as to payment from the Net Revenues.

Rate Covenant. The District has covenanted in the Installment Sale Agreement that, to the fullest extent permitted by law, it will fix, prescribe and collect Revenues which will be at least sufficient to yield during each Fiscal Year Net Revenues which, together with any *ad valorem* assessments available to pay Debt Service on Parity Obligations, are at least equal to 125% of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but may not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the foregoing requirements. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Rate Covenant."

Limitations on Parity and Senior Obligations. The District has covenanted in the Installment Sale Agreement that it will not create any pledge of, lien on or charge upon the Revenues with a priority prior to or senior to the pledge of the Revenues securing the Parity Obligations (including the Installment Payments). Nothing in the Installment Sale Agreement limits the District's payment of Operation and Maintenance Expenses from Revenues prior to the payment of the Parity Obligations as provided therein. The District may issue additional Parity Obligations payable from Net Revenues on a parity with the Installment Payments subject to the conditions described under the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Limitations on Parity and Superior Obligations—Obligations on a Parity with the Installment Payments."

Professionals Involved in the Issue

The Certificates will be offered when, as and if delivered, subject to the approval of the legality of the Installment Sale Agreement by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Special Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by Hanson Bridgett LLP (its "**General Counsel**"), for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and for the Underwriters by Kutak Rock LLP, and for the Trustee by its counsel.

Forward-Looking Statements

Certain statements that are included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 2000, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in Appendix A. Forward-looking statements in this Official Statement are subject to risks and uncertainties. Actual results may vary from forecasts or projections contained herein because events and circumstances do not occur as expected, and such variances may be material.

Summaries Not Definitive

The summaries and references to all documents, statutes, reports and other instruments that are referred to in this Official Statement do not purport to be complete, comprehensive or definitive, and each such summary or reference is qualified in its entirety by reference to each such document, statute, report or instrument. Unless otherwise indicated, all financial and statistical information in this Official Statement has been provided by the District.

All references to and summaries of provisions of the Trust Agreement, the Installment Sale Agreement, and all documents, statutes, reports and other instruments that are referred to in this Official Statement are qualified in their entirety by reference to the full document, statute, report or instrument, respectively, copies of which are available for inspection at the offices of the District in Irvine, California, and will be available from the Trustee upon request and payment of duplication costs.

FINANCING PLAN

Refunding Plan

General. The 2016 Certificates, which are currently outstanding in the aggregate principal amount of $92,030,000, were executed and delivered pursuant to a Trust Agreement, dated as of September 1, 2016 (the "**2016 Trust Agreement**"), by and among the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "**2016 Trustee**"). The 2016 Certificates are payable from installment payments made under an Installment Sale Agreement, dated as of September 1, 2016 (the "**2016 Installment Sale Agreement**"), by and between the District and the Corporation. The District plans to apply a portion of the proceeds of the Certificates to prepay the outstanding 2016 Certificates on _____, 2026 (the "**Prepayment Date**").

Under an Escrow Deposit Agreement, dated as of August 1, 2026 (the "**Escrow Agreement**"), by and between the District and the 2016 Trustee, as escrow bank (in such capacity, the "**Escrow Bank**"), the District will deliver a portion of the proceeds of the Certificates to the Escrow Bank for deposit in the escrow fund established under the Escrow Agreement (the "**Escrow Fund**"). The Escrow Bank will invest a portion of the amounts so deposited in the Escrow Fund in Federal Securities (as described in the Escrow Agreement). From the maturing principal of the Federal Securities and related investment income and any uninvested moneys on

deposit in the Escrow Fund, the Escrow Bank will: (i) pay the interest with respect to the 2016 Certificates through the Prepayment Date as regularly scheduled; and (ii) pay on the Prepayment Date the principal with respect to the 2016 Certificates, plus interest accrued to such date, without premium (the "**Prepayment Price**").

Sufficiency of the deposits in the Escrow Fund for such purposes will be verified by _____ (the "**Verification Agent**"). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided in the Escrow Agreement, the 2016 Certificates will be defeased pursuant to the provisions of the 2016 Installment Sale Agreement and the 2016 Trust Agreement as of the date of execution and delivery of the Certificates.

The amounts held by the Escrow Bank in the Escrow Fund are pledged solely to the payment of the 2016 Certificates and will not be available for the payments with respect to the Certificates.

Verification of Mathematical Computations. Upon the execution and delivery of the Certificates, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to it by the Underwriter relating to: (a) the adequacy of the moneys deposited in the Escrow Fund to pay the Prepayment Price of the 2016 Certificates; and (b) the computations of yield of the Certificates which support Special Counsel's opinion that the interest with respect to the Certificates is excluded from gross income for federal income tax purposes.

The Project

Under the Trust Agreement, the District will establish and hold a fund called the Construction Fund. A portion of the proceeds of the Certificates will be deposited in the Construction Fund to be held by the District and applied to reimburse certain costs previously paid by the District for water and sewer system development, expansion and related facilities serving the Improvement Districts, including (i) a portion of the costs of the Fleming Reservoir Storage Tank and Pump Station Project, which includes replacement of an existing 150,000–gallon steel storage tank with a 1.3 million gallon concrete tank, replacement of a pumpstation, and a new disinfection facility; (ii) a portion of the costs of the Santiago Creek Dam Improvement Project, which is expected to reconstruct the spillway and outlet tower, restore storage capacity in the reservoir, and strengthen the dam to meet modern standards; and (iii) a portion of the costs of the Michelson Water Recycling Plant Tertiary Filter Improvements project, which is expected to rehabilitate the tertiary filters to improve performance and reliability by replacing deteriorating and obsolete equipment and infrastructure at the tertiary filter tanks area, air scour blower area, and the backwash supply pumps area.

Pursuant to the Trust Agreement, the District may substitute or add additional projects to the Project. See Appendix C under the caption "DELIVERY OF CERTIFICATES—Construction Fund."

Other District Obligations

On or about August __, 2026, the District expects to issue its Bonds of Irvine Ranch Water District, Consolidated Series 2026A (the "**Series 2026A Bonds**") in the aggregate principal amount of $_____[*] and Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2026B (the "**Series 2026B Bonds**" and, together with the Series 2026A Bonds, the "**Series 2026 Bonds**") in the aggregate principal amount of $_____[*]. The Series 2026A Bonds are being issued to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District and the Series 2026B Bonds are being issued to provide funds to redeem the outstanding Bonds of Irvine Ranch Water District, Series 2016 (the "**Series 2016 Bonds**"). If issued, the Series 2026 Bonds will constitute Parity Obligations under the Installment Sale Agreement and will also be consolidated several general obligations of the Improvement Districts.

[*] *Preliminary, subject to change.*

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Certificates are as follows:

Sources
Principal Amount of Certificates
[Plus/Less/ [Net] Original Issue [Premium/Discount]
Total Sources

Uses
Transfer to Escrow Fund
Deposit in Construction Fund
Costs of Issuance[(1)]
Total Uses

(1) Includes Underwriters' discount, legal, financing and consulting fees, rating agency fees, printing costs and other miscellaneous expenses.

THE CERTIFICATES

General

The Certificates will be dated the date of their initial delivery, will be payable in the years and amounts and will represent interest at the respective rates set forth on the inside front cover page of this Official Statement. Interest with respect to the Certificates will be payable on each March 1 and September 1, commencing _____ 1, 20__ (each, an "**Interest Payment Date**"). The Certificates will be delivered in the form of fully registered Certificates and, when executed and delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the Certificates. Ownership interests in the Certificates may be purchased in book-entry form only in denominations of $5,000 or any integral multiple thereof. See the caption "—Book-Entry Only System" and Appendix E.

While DTC acts as the securities depository for the Certificates, payment of the principal, interest and prepayments with respect to the Certificates will be made by the Trustee to DTC or its nominee and disbursed to the Beneficial Owners of the Certificates as described under the caption "—Book-Entry Only System" and in Appendix E. When there is no securities depository for the Certificates, payment of interest evidenced by each Certificate will be made in lawful money of the United States of America on each Interest Payment Date to the Person appearing on the Certificate Register as the Owner thereof on the applicable Record Date, such interest to be paid: (i) by check mailed by first class mail on the Interest Payment Date, to such Owner's address as it appears on the Certificate Register or at such other address as has been furnished to the Trustee in writing by such Owner not later than three Business Days prior to the applicable Record Date; or (ii) upon written request at least three Business Days prior to the applicable Record Date, to the Owner of Outstanding Certificates aggregating not less than $1,000,000 in principal amount, by wire transfer in immediately available funds to an account maintained in the United States as such Owner will specify in its written notice; except, in each case, that if and to the extent that there has been a default in the payment of interest due on such Interest Payment Date, such defaulted interest will be paid to the Owners in whose name any such Certificates are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest. The principal amount evidenced by each Certificate and any premium thereon due upon the payment or prepayment thereof will be payable in lawful money of the United States of America by check of the Trustee upon surrender thereof at the Principal Office of the Trustee or by wire transfer.

Transfer and Exchange of the Certificates

While DTC acts as the securities depository for the Certificates, transfers of interests in the Certificates by Beneficial Owners will be made pursuant to the applicable DTC transfer procedures. See the caption "—Book-Entry Only System" and Appendix E. When there is no securities depository for the Certificates, any Certificate may, in accordance with its terms, be transferred in the Certificate Register by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Certificates at the Principal Office of the Trustee for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Certificate or Certificates are surrendered for transfer, the Trustee will execute and deliver to the transferee a new Certificate or Certificates of the same maturity date evidencing a like aggregate principal amount of Principal Installments and in Authorized Denominations. The Trustee will require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege. Services rendered and reasonable expenses incurred by the Trustee, including the cost of printing any new Certificate, in connection with a transfer pursuant to the Trust Agreement will be paid by the District.

The Trustee may deem and treat the registered owner of any Certificates as the absolute owner of such Certificates for the purpose of receiving payment of the principal and interest and prepayment premium, if any, evidenced thereby and for all other purposes, whether such Certificates are overdue or not, and the Trustee will not be affected by any notice or knowledge to the contrary; and payment of the interest and principal and prepayment premium, if any, evidenced by such Certificates will be made only to such registered owner, which payments will be valid and effectual to satisfy and discharge liability on such Certificates to the extent of the sum or sums so paid.

The Trustee is not required to register the transfer of any Certificate during the period commencing on the date 15 days preceding the selection of Certificates for prepayment and ending on the date of mailing of notice of such prepayment, or any Certificate which has been selected for prepayment in whole or in part, from and after the day of mailing of a notice of prepayment of such Certificates selected for prepayment in whole or in part.

Certificates may be exchanged at the Principal Office of the Trustee for Certificates evidencing a like aggregate amount of Principal Installments, of the same maturity date and of other Authorized Denominations. The Trustee will require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. Services rendered and reasonable expenses incurred by the Trustee, including the cost of printing any new Certificate, in connection with an exchange pursuant to the Trust Agreement will be paid by the District.

The Trustee is not required to exchange any Certificate during the period commencing on the date 15 days preceding the selection of Certificates for prepayment and ending on the date of mailing of notice of such prepayment, or any Certificate which has been selected for prepayment in whole or in part, from and after the day of mailing of a notice of prepayment of such Certificates to the date of prepayment thereof.

Prepayment of the Certificates

Optional Prepayment. The Certificates maturing on and after March 1, 20__ are subject to prepayment prior to their respective maturity dates, at the option of the District, in whole or in part (in such amounts as may be specified by the District) on any day on and after September 1, 20__ at a prepayment price equal to the principal amount of Certificates called for prepayment, plus unpaid, accrued interest to the prepayment date, without premium.

Mandatory Sinking Fund Prepayment. The Certificates maturing on March 1, 20__ are subject to mandatory prepayment in part on March 1, 20__ and on each March 1 thereafter, upon notice as provided in the Trust Agreement, at a prepayment price equal to 100% of the principal amount of the Certificates to be redeemed, without premium, in the years and principal amounts as follows:

Mandatory Prepayment Date ***(March 1)***	***Principal Amount of Certificates to be Prepaid***

* Maturity.

The Certificates maturing on March 1, 20__ are subject to mandatory prepayment in part on March 1, 20__ and on each March 1 thereafter, upon notice as provided in the Trust Agreement, at a prepayment price equal to 100% of the principal amount of the Certificates to be redeemed, without premium, in the years and principal amounts as follows:

Mandatory Prepayment Date ***(March 1)***	***Principal Amount of Certificates to be Prepaid***

* Final Maturity.

Notice of Prepayment. Notice of prepayment of Certificates will be given by first class mail, postage prepaid, by the Trustee to the Owners of any Certificates designated for prepayment in whole or in part and to the Securities Depository no less than 30 days nor more than 60 days prior to the prepayment date. Each notice of prepayment will state the prepayment date, the place of prepayment and the prepayment price, the maturity date or dates of the Certificates to be prepaid and will designate the numbers of the Certificates to be prepaid if less than all of the Outstanding Certificates of a maturity are to be prepaid, and will (in the case of any Certificate called for prepayment in part only) state the portion of the principal amount thereof which is to be prepaid. In addition, subject to the provisions of the Trust Agreement, such notice of prepayment will state that the interest with respect to the Certificates or portions thereof designated for prepayment will cease to accrue from and after such prepayment date and that on such prepayment date there will become due and payable with respect to each of the Certificates or portions thereof designated for prepayment the prepayment price thereof. The failure of any Owner to receive such notice will not affect the validity of the prepayment of any Certificates.

With respect to any notice of any optional prepayment with respect to the Certificates, unless at the time such prepayment notice is given the Owners of the Certificates to be prepaid, the Trustee holds sufficient moneys available for such purpose to pay in full the prepayment price of the Certificates to be prepaid, such notice will state that such prepayment is conditional upon receipt by the Trustee, on or prior to the date fixed for such prepayment, of sufficient moneys available for such purpose to pay in full the prepayment price of the Certificates to be prepaid, and that if such moneys have not been so received, said notice will be of no force and effect and the District will not be required to prepay such Certificates. In the event that a notice of prepayment with respect to the Certificates contains such a condition and such moneys are not so received, the

prepayment of Certificates as described in the conditional notice of prepayment will be cancelled and the Trustee will, within a reasonable time after the date on which such prepayment was to occur, give notice to the persons who received such notice of prepayment and in the manner in which the notice of prepayment was given, that such moneys were not so received and that there will be no prepayment of the Certificates pursuant to such notice of prepayment.

The Trustee will give notice of prepayment of any Certificates to be prepaid, as provided in the Trust Agreement, upon receipt of notice from the District, which notice will be given to the Trustee at least five calendar days prior to the date that the notice of prepayment described in the Trust Agreement must be given to the Owners (unless the Trustee agrees to a shorter period).

Any notice mailed to an Owner as provided in the Trust Agreement will be conclusively presumed to have been given, whether or not actually received by any Owner. The insufficiency of any such notice does not affect the sufficiency of the proceedings for prepayment.

Whenever provision is made in the Trust Agreement for the prepayment of Certificates with prepayments of Principal Installments made at the option of the District, the principal amount of Certificates of each maturity to be prepaid will be the principal amount of Certificates evidencing such prepaid Principal Installments. Whenever provision is made in the Trust Agreement for the prepayment of less than all of the Certificates of a maturity, the Trustee will select the Certificates of such maturity to be prepaid, from all Certificates of such maturity subject to prepayment and not previously called for prepayment, by lot in any manner which the Trustee in its sole discretion deems appropriate and fair.

Book-Entry Only System

The Certificates will be executed and delivered in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Certificates. One fully-registered certificate will be issued for each maturity of the Certificates, each in the initial aggregate principal amount of such maturity, will be deposited with DTC and will be available to actual purchasers of the Certificates (the "**Beneficial Owners**") in integral multiples of $5,000. Beneficial Owners will not be entitled to receive physical delivery of the Certificates. Disbursement of payments of principal and interest with respect to the Certificates to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Certificates is the responsibility of the DTC Participants.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Certificates will be printed and delivered and will be governed by the provisions of the Trust Agreement with respect to payment of principal and interest and rights of transfer and exchange. See the captions "—General" and "—Transfer and Exchange of the Certificates."

The District cannot and does not give any assurances that DTC Participants or others will distribute payments with respect to the Certificates received by DTC or its nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners, that they will do so on a timely basis or that DTC will service and act in the manner described in this Official Statement.

See Appendix E for further information with respect to DTC and its book-entry only system.

DEBT SERVICE SCHEDULE

Certificate Year Ending March 1	*Principal*	*Interest*	*Total Debt Service*
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			
Total			

SECURITY FOR THE CERTIFICATES

Installment Payments

The Certificates evidence undivided, proportionate ownership interests in Installment Payments payable by the District under the Installment Sale Agreement. Pursuant to the Trust Agreement, the Corporation has assigned to the Trustee for the benefit of the Owners of the Certificates substantially all of its right, title and interest in the Installment Sale Agreement, including its right to receive the Installment Payments and its rights as may be necessary to enforce payment of the Installment Payments when due or otherwise to protect the interests of the Owners of the Certificates under the Installment Sale Agreement. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS."

All Installment Payments that are received by the Trustee from the District pursuant to the Installment Sale Agreement (including delinquent Installment Payments) will be immediately deposited in the Certificate Fund as provided in the Trust Agreement. Moneys that are received as Installment Payments by the Trustee will be allocated first to Interest Installments then due, then to Principal Installments then due and then to

reimburse the Reserve Fund for any withdrawals caused by the delinquent payment of Installment Payments. All money in the Certificate Fund will be held in trust by the Trustee for the benefit of the Owners of the Outstanding Certificates and will be applied, used and withdrawn only for the purposes provided in the Trust Agreement.

The Installment Payments to be deposited into the Certificate Fund will be deposited into the following respective accounts in the Certificate Fund, in the following order of priority:

First: To the Interest Account, an amount such that the balance in the Interest Account available for such payment is equal to the aggregate amount of interest becoming due and payable with respect to the Outstanding Certificates on the next succeeding Interest Payment Date.

Second: To the Principal Account, an amount such that the balance in the Principal Account is equal to the aggregate principal amount of Outstanding Certificates coming due on the next succeeding due date for principal of the Certificates.

Third: To the Reserve Fund, an amount such that the balance in the Reserve Fund is equal to the Reserve Requirement.

All amounts in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying to the Owners of the Outstanding Certificates the Interest Installments of the Installment Payments evidenced by such Certificates as the same become due and payable.

All amounts in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying to the Owners of the Outstanding Certificates the Principal Installments of the Installment Payments evidenced by such Certificates as the same become due and payable. On each maturity date for a Certificate, the Trustee will apply the amount in the Principal Account representing the Principal Installment evidenced by such Certificate to the payment of the maturing principal of such Certificate. On each date on which principal of Outstanding Certificates is due, other than the maturity dates for Certificates, the Trustee will apply the amount in the Principal Account representing the Principal Installments evidenced by such Certificates to the payment of the principal of the Certificates then due.

Reserve Fund

The Trust Agreement establishes a Reserve Fund for the Certificates. Pursuant to the Trust Agreement, the Reserve Requirement will be $0 and the District will not fund the Reserve Fund upon the execution and delivery of the Certificates.

SECURITY FOR THE INSTALLMENT PAYMENTS

Pledge of Revenues

Subject to the application thereof on the terms and conditions provided in the Installment Sale Agreement, all Revenues have been irrevocably pledged to the payment of the Installment Payments and the other amounts due under the Installment Sale Agreement, which pledge is on a parity with any pledge of Revenues securing other Parity Obligations. Such pledge constitutes a first pledge of and charge and lien upon the Revenues for the payment of the Installment Payments and the other amounts due under the Installment Sale Agreement and all Parity Obligations in accordance with the terms the Installment Sale Agreement after payment from the Revenues of the Operation and Maintenance Expenses as provided in the Installment Sale Agreement.

No fund or account of the District, including its general fund, other than the Revenue Fund, is liable for, and neither the faith and credit nor the taxing power of the District is liable for or pledged to, the payment

of the Installment Payments and the other amounts payable by the District under the Installment Sale Agreement.

"**Net Revenues**" consist of for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"**Revenues**" consist of Utility Rates and Charges (as such term is defined below) and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District's share of the Orange County, California one percent *ad valorem* property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, (ii) any proceeds of taxes or *ad valorem* assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) water, sewer and reclaimed water rates and charges levied in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act.

"**Operation and Maintenance Expenses**" consist of the costs and expenses paid or incurred by the District for operating and maintaining the Operating Systems including, but not limited to: (a) all costs of water generated or purchased by the District for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and repair of, and other expenses necessary or appropriate in the judgment of the District to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by the District to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

"**Operating Systems**" consist of the District's systems for providing water, sewer, reclaimed water and surface runoff services and any other utilities and services which the District may provide as the same now exist on the date hereof and as the same may be improved, replaced and expanded.

"**Secured Bonds**" are bonds of the District that are secured by a pledge of the District's share of the Orange County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002.

"**Utility Rates and Charges**" consist of all water, sewer and reclaimed water rates and charges imposed by the District in connection with providing water, sewer and reclaimed water services to retail customers through the Facilities, including commodity, service, standby, material treatment and connection charges, except: (i) such water, sewer and reclaimed water rates and charges levied in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act; and (ii) customer deposits.

Net Revenues collected within any improvement district of the District, including the Improvement Districts, are available to make the Installment Payments.

Allocation of Revenues Under the Installment Sale Agreement'

In order to carry out and effectuate the pledge and lien on the Revenues contained in the Installment Sale Agreement, the District has agreed and covenanted in the Installment Sale Agreement that all Revenues received by it will be deposited when and as received in the Revenue Fund, which fund has previously been established by the District and which fund the District has agreed and covenanted to maintain as a special fund, separate and apart from other moneys of the District so long as any Installment Payment remains Outstanding or any other amounts remain payable under the Installment Sale Agreement. All Revenues will be applied in the following order of priority:

First: to the payment of Operation and Maintenance Expenses (other than the funding of contingency reserves for Operation and Maintenance Expenses) as they become due and payable.

Second: to the funding of contingency reserves for Operation and Maintenance Expenses.

Third: (i) two Business Days before each Interest Payment Date, to a deposit to the Certificate Fund in an amount equal to the Installment Payment becoming due and payable on such Interest Payment Date which will consist of the unpaid Principal Installment coming due on such Interest Payment Date, if any, and an Interest Installment equal to the unpaid, accrued interest on the unpaid Principal Installments; and (ii) on each date, other than an Interest Payment Date, on which a Principal Installment is due, whether by mandatory prepayment, acceleration, or otherwise, to a deposit to the Certificate Fund in an amount equal to the Installment Payment due and payable on such date which will consist of the unpaid Principal Installments coming due on such date and an Interest Installment equal to the unpaid, accrued interest on the unpaid Principal Installments. Notwithstanding the provisions of the immediately preceding sentence, no such deposits to the Certificate Fund need be made by the District to the extent the Trustee then holds money for such purpose in the Certificate Fund available to pay the Installment Payments to be paid with such deposit. The District will also pay to the party entitled thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the Installment Payments), without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest on Parity Obligations (other than the Installment Payments) in accordance with the terms of such Parity Obligations.

Fourth: on each Interest Payment Date, to a deposit to the Reserve Fund in the amount, if any, then required by the Installment Sale Agreement to restore the Reserve Fund to an amount equal to the Reserve Requirement. The District will also transfer or cause to be transferred to any applicable reserve fund or account for any Parity Obligations for which a separate reserve has been funded, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, the sum or sums, if any, equal to the amount required to be deposited therein in accordance with the terms of such Parity Obligations.

Fifth: to any lawful purpose of the District, including the payment of any Subordinate Obligations in accordance with the instruments authorizing such Subordinate Obligations, which application will be free and clear of the pledge and lien on Revenues created by the Installment Sale Agreement.

Existing Parity Obligations

Prior to the execution and delivery of the Installment Sale Agreement, the District has entered into certain Parity Obligations described below:

(i) the Reimbursement Agreement, dated as of April 1, 2011, between the District and Sumitomo Mitsui Banking Corporation, as amended and supplemented (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A);

(ii) the Reimbursement Agreement, dated as of April 1, 2025, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009A);

(iii) the Amended and Restated Reimbursement Agreements, dated as of April 1, 2011, between the District and Bank of America, N.A, as amended and supplemented (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009B);

(iv) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1, which are currently outstanding in the aggregate principal amount of $34,440,000 and the Reimbursement Agreement, dated as of February 1, 2024, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Refunding Series 2011A-1);

(v) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2, which are currently outstanding in the aggregate principal amount of $22,960,000 and the Reimbursement Agreement, dated as of February 1, 2024, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Refunding Series 2011A-2);

(vi) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A, which are currently outstanding in the aggregate principal amount of $125,000,000 and the Reimbursement Agreement, dated as of July 1, 2025, between the District and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A);

(vii) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B, which are currently outstanding in the aggregate principal amount of $57,890,000;

(viii) the Bonds of Irvine Ranch Water District, Consolidated Series 2026A, which are currently outstanding in the aggregate principal amount of $_____ and the Reimbursement Agreement, dated as of August 1, 2026, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Consolidated Series 2026A); and

(ix) Bonds of Irvine Ranch Water District, Consolidated Series 2026B, which are currently outstanding in the aggregate principal amount of $_____.

The reimbursement agreement described above are collectively referred to as the "**Prior Reimbursement Agreements**." The Prior Reimbursement Agreements described in clauses (i) through (iii) above relate to outstanding *ad valorem* assessment bonds of the District which are not secured by a pledge and lien on Revenues There are currently no reimbursement obligations outstanding under the Prior Reimbursement Agreements, although the District may incur reimbursement obligations under the Prior Reimbursement Agreements as provided therein. For a summary of the stated amount of each letter of credit associated with the Prior Reimbursement Agreements, see Appendix A under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Parity Obligations."

As described under the captions "INTRODUCTION—Purpose," the District expects to issue the Series 2026A Bonds in the aggregate principal amount of $_____ and the Series 2026B Bonds in the aggregate principal amount of $_____ on or about August ___, 2026 to finance certain capital improvements and related facilities of the District and to refund the outstanding Series 2016 Bonds, respectively.

Rate Covenant

The District has covenanted in the Installment Sale Agreement, to the fullest extent permitted by law, the District shall fix, prescribe and collect Revenues which will be at least sufficient to yield during each Fiscal Year Net Revenues which, together with any ad valorem assessments available to pay Debt Service on Parity Obligations, are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of the rate covenant with respect to all outstanding Parity Obligations.

In addition, certain of the Prior Reimbursement Agreements described under the caption "—Existing Parity Obligations" related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have covenants related to the setting of rates and charges with which the District is contractually obligated to comply.

Limitations on Parity and Superior Obligations

No Obligations Superior to the Installment Payments. The District has covenanted in the Installment Sale Agreement that it will not, so long as any Certificates are Outstanding, issue or incur any obligations secured by a pledge of Revenues and payable from Net Revenues prior or superior to the Installment Payments.

Obligations on a Parity with the Installment Payments.

(a) The District may at any time issue any Parity Obligations in accordance with the Installment Sale Agreement, provided that:

(i) The Net Revenues for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with the District, are at least equal to 125% of the Aggregate Debt Service for the Applicable Fiscal Year; and

(ii) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, produce a sum equal to at least 125% of the sum of: (i) the Aggregate Debt Service for such Applicable Fiscal Year; plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming that such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year; plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for the Applicable Fiscal Year and for each Fiscal Year thereafter to and including the first complete Fiscal Year after the latest date of operation of any uncompleted project being financed or refinanced from the proceeds of such additional Parity Obligations (the "**Test Period**"), plus an allowance for the estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any increase in the income, rents, fees, rates and charges estimated to be received by the District and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, produce an amount in each Fiscal Year in the Test Period which is at least 125% of the sum of: (i) the Aggregate Debt Service in each such Fiscal Year on all then Outstanding Parity Obligations; plus (ii) the Debt Service in each

such Fiscal Year on the additional Parity Obligations to be issued; plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by the District to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(b) Notwithstanding the foregoing, the District may at any time issue additional Parity Obligations to refund Outstanding Parity Obligations without satisfying any of the conditions set forth above if Aggregate Debt Service in each such Fiscal Year after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service payable prior to the issuance of such additional Parity Obligations.

(c) Notwithstanding the provisions of part (a) above, the District may at any time issue a Parity Obligation that constitutes a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such part (a) if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of credit relating to such Prior Reimbursement Agreement; or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with parts (a) or (b) above.

Notwithstanding the foregoing, so long as the 2010 Installment Sale Agreement remains outstanding, the District will need to comply with the requirements set therein for the issuance of Parity Obligations, which are identical to those set forth in clauses (a), (b) and (c) above except that the *ad valorem* assessment proceeds (and any assessment proceeds related to other Parity Obligations) which are applied as a credit to Debt Service in clauses (a) and (b) above are included as revenues for purposes of such calculation and the definition of Aggregate Debt Service in the 2010 Installment Sale Agreement does not provide an offset for debt service paid from Assessment Proceeds (and any assessment proceeds related to other Parity Obligations) associated with Revenue Enhancement Agreements. In addition, certain of the Prior Reimbursement Agreements related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have conditions precedent to the issuance of Parity Obligations that are more stringent than those listed above.

Obligations Subordinate to the Installment Payments. Nothing in the Installment Sale Agreement precludes the District from issuing any Subordinate Obligations without complying with the foregoing provisions.

Limited Liability

Notwithstanding anything contained in the Installment Sale Agreement, the District is not required to advance any moneys derived from any source of income other than the Net Revenues, the Revenue Fund and the other funds provided in the Installment Sale Agreement for the payment of amounts due under the Installment Sale Agreement or for the performance of any agreements or covenants required to be performed by it contained in the Installment Sale Agreement. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

THE OBLIGATION OF THE DISTRICT TO MAKE INSTALLMENT PAYMENTS AND THE OTHER PAYMENTS REQUIRED TO BE MADE BY THE DISTRICT UNDER THE INSTALLMENT SALE AGREEMENT IS A SPECIAL OBLIGATION WHICH THE DISTRICT IS REQUIRED TO PAY ONLY FROM THE NET REVENUES AND NOT FROM ANY OTHER FUNDS OR MONEYS OF THE DISTRICT, AND SUCH PAYMENT OBLIGATION DOES NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH IT IS OBLIGATED TO LEVY OR COLLECT ANY FORM OF TAXATION,

INCLUDING *AD VALOREM* ASSESSMENTS, OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION, INCLUDING *AD VALOREM* ASSESSMENTS. THE OBLIGATION OF THE DISTRICT TO MAKE INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT SALE AGREEMENT DOES NOT CONSTITUTE A DEBT OF THE DISTRICT IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE A DEBT OF THE CORPORATION, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT).

The Installment Payments are not secured by, and the Owners have no security interest in or mortgage on, the Facilities, the Operating Systems or any other assets of the District. Default by the District will not result in loss of the Facilities, the Operating Systems or any other assets of the District. Should the District default, the Trustee, as assignee of the Corporation, may declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, and by mandamus or other action or proceeding or suit at law or in equity the Trustee may enforce its rights against the District, compel the District to perform and carry out its duties under the law and the agreements and covenants required to be performed by it contained in the Certificates or the Installment Sale Agreement or by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Corporation. See Appendix C.

THE IRVINE RANCH WATER DISTRICT

A detailed description of the District and the Operating Systems is set forth in Appendix A.

THE CORPORATION

The Corporation is a California nonprofit public benefit corporation. The Corporation was formed in 1997 in order to provide assistance to the District in financing, refinancing and acquiring capital improvements, among other purposes. The members of the Board of Directors of the Corporation are the members of the Board of Directors of the District.

INVESTMENT CONSIDERATIONS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the Certificates. However, the following does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the Certificates. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone or in combination with other risk factors could delay or preclude payment of principal or interest with respect to the Certificates.

Accuracy of Assumptions

To estimate the Net Revenues which will be available to pay the Installment Payments, the District has made certain assumptions with regard to various matters, including but not limited to future development within the District, increases in property tax receipts and increases in revenues resulting therefrom, the rates and charges to be imposed in future years, the expenses associated with operating the water system and the sewer system of the District and the interest rate at which funds will be invested. The District believes these assumptions to be reasonable, but to the extent that any of such assumptions fail to materialize, the Net Revenues available to pay the Installment Payments will, in all likelihood, be less than those projected herein. See Appendix A under the caption

"WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage." See also the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Rate Covenant."

Rate Covenant Not a Guarantee

The Installment Payments are payable from Net Revenues, which consist of Revenues less the Operation and Maintenance Expenses, as more fully described under the caption "SECURITY FOR THE INSTALLMENT PAYMENTS." The District's ability to pay the Installment Payments depends on its ability to generate Net Revenues at the levels required by the Installment Sale Agreement. Although the District has covenanted in the Installment Sale Agreementto impose rates and charges as more particularly described under the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Rate Covenant" and expects that sufficient Net Revenues will be generated through the imposition and collection of such rates and charges, there is no assurance that the imposition and collection of such rates and charges will result in the generation of Net Revenues in the amounts required by the Installment Sale Agreement. No assurance can be made that Net Revenues, estimated or otherwise, will be realized by the District in amounts sufficient to pay the Installment Payments. Among other matters, the availability of and demand for water and wastewater services, and changes in law and government regulations could adversely affect the amount of revenues realized by the District. If District is unable to increase rates and charges for any reason, it may be necessary for the District to implement other actions to comply with the rate covenants, including reducing expenses.

Rate-Setting Process under Proposition 218

Proposition 218, which added Articles XIIIC and XIIID to the State Constitution, affects the District's ability to maintain existing rates and impose rate increases for the water system and the sewer system of the District, and no assurance can be given that future proposals to increase rates will not encounter majority protest opposition or be challenged by initiative action authorized under Proposition 218. In the event that future proposed rate increases cannot be imposed as a result of majority protest or initiative, the District might thereafter be unable to generate Net Revenues in the amounts required by the Installment Sale Agreement. The District believes that its current rates approved by the Board of Directors were effected in accordance with the public hearing and majority protest provisions of Proposition 218. See Appendix A under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES."

Water and Sewer System Demand

There can be no assurance that the demand for the services of the water system and the sewer system of the District will occur as described in this Official Statement. Reduction in levels of demand could require an increase in rates or charges in order to comply with the rate covenant under the Installment Sale Agreement. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Rate Covenant." Demand for the services of the water system and the sewer system of the District could be reduced or may not occur as projected by the District as a result of reduced levels of development in the District's service area, hydrological conditions, conservation efforts, an economic downturn, mandatory State conservation orders and other factors.

Water and Sewer System Expenses

There can be no assurance that the District's expenses will be consistent with the descriptions in this Official Statement. Operation and Maintenance Expenses may vary with hydrological conditions, the quality and amount of water supplies, the quality and treatment requirements of wastewater, as well as treatment costs, regulatory compliance costs, labor costs (including costs related to pension and other post-employment benefits) and other factors. See Appendix A under the captions "WATER SUPPLY, "THE WATER SYSTEM" and "THE SEWER SYSTEM." Increases in Operation and Maintenance Expenses could require an increase in rates or charges in order to comply with the rate covenant under the Installment Sale Agreement. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Rate Covenant."

Climate Change and Natural Disasters

Climate Change. The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas ("**GHG**") emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels.

As a recognized industry leader with a history of implementing innovative and cutting-edge practices and cost-effective programs, the District developed an Energy and GHG Master Plan in 2012 to improve, optimize and reduce its energy consumption and GHG emissions. The plan identified cost-effective capital projects to reduce the District's existing and future energy usage, costs and, as required under future regulatory conditions, the District's GHG emissions. The District is currently developing a Climate Adaptation and Energy Management Plan that will identify additional cost-effective projects and programs that can help reduce GHG emissions through increased energy efficiency. This plan will also take into consideration potential operational changes and mitigation strategies that may be needed in response to projected climate impacts and associated vulnerabilities to the District's facilities and water supply reliability. This plan is expected to be complete by the end of 2026.

In 2021, *The Climate Registry*, which oversees North America's largest voluntary greenhouse gas registry, empowering organizations and public agencies to act on climate change by reducing their carbon emissions, honored the District with gold-level status for demonstrating exceptional leadership in meeting rigorous voluntary greenhouse gas reporting criteria. The District is in process of completing its 2024 and 2025 GHG inventories, which will be undergoing third party verification. Upon verification, the inventories will be submitted to *The Climate Registry*.

Natural Disasters. The property within the District, like all California communities, may be subject to unpredictable seismic activity, wildfires, droughts, high winds, landslides, floods or other natural disasters. Southern California is a seismically active area. Seismic activity represents potential risk for damage to buildings, roads, bridges and property within the District in the event of an earthquake, including the water system and the sewer system of the District. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In recent years, wildfires have caused extensive damage throughout the State, including within the County. In some cases, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or

destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The California Department of Forestry and Fire Protection ("**Cal Fire**") periodically prepares maps which evaluate fire hazard, which is defined as the likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire or fuel reduction efforts, as opposed to risk, which is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction. In March 2025, Cal Fire released an updated Fire Hazard Severity Zone map for the Southern California region and portions of the District's service area are located within areas classified as "Moderate," "High" or "Very High" Fire Hazard Severity Zones by Cal Fire. The District's Climate Adaptation and Energy Management Plan will include an assessment of wildfire related vulnerabilities to District facilities.

In the event of a severe earthquake, wildfire, drought, windstorm, landslide, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District, including to the Water System or the Sewer System. As a result of such damage or destruction, property owners may be unable or unwilling to pay their property taxes when due, including the *ad valorem* assessments levied by the District to pay debt service on the District's Ad Valorem Assessment Bonds. Such damage may also result in a reduction in Net Revenues available to pay the Installment Payments.

In January 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "**Governor's Order**) which canceled penalties, costs and interest on overdue property taxes within certain zip codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of property taxes by property owners in areas affected by Governor's Order. Unless property owners within the affected areas pay their property taxes voluntarily or have mortgage impound accounts, it is possible bonds payable from property taxes in such areas will experience a need to draw on reserve accounts or a payment default. In the event of a major fire or other natural disaster affecting the property within the District, a similar order affecting the property within the District could impact the collection of the *ad valorem* assessments levied by the District to pay debt service on the District's Ad Valorem Assessment Bonds.

Sustainable Groundwater Management Act

On September 16, 2014, the Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or "**SGMA**") into law. SGMA constitutes a legislative effort to regulate groundwater on a Statewide basis. Under SGMA, the California Department of Water Resources ("**DWR**") designated groundwater basins in the State as high, medium, low or very low priority for purposes of groundwater management. Local groundwater producers were required to establish or designate an entity (referred to as a groundwater sustainability agency, or "**GSA**"), subject to DWR's approval, to manage each high and medium priority groundwater basin. Each GSA was tasked with submitting a GSP for DWR's approval by January 31, 2022. Alternatively, groundwater producers were required to submit a groundwater management plan under Part 2.75 of the California Water Code or an analysis for DWR's review demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years by January 31, 2017, with updates every five years thereafter.

As described in Appendix A under the caption "WATER SUPPLY—Groundwater," SGMA specifically allows the Orange County Water District ("**OCWD**"), which manages the Orange County groundwater basin, to develop an Alternative Plan under Part 2.75 of the California Water Code to manage those portions of the basin that are within OCWD's boundaries. In order for OCWD to submit an Alternative Plan, the entire groundwater basin must be included. OCWD's service area includes about 89% of the Orange County groundwater basin and is described in the Alternative Plan as the OCWD Management Area ("**MA**"). The remaining fringe areas, which include portions of multiple agencies, were aggregated into the La Habra/Brea MA, the Santa Ana River Canyon MA and the South East MA. The District manages the South East MA and coordinates with OCWD in preparing updates to the Alternative Plan to reflect conditions in the South East MA.

The District does not currently expect its groundwater extraction rights or costs in the Orange County groundwater basin to change significantly as a result of the enactment of SGMA, nor does the District expect the enactment of SGMA to have a material adverse effect on the District's ability to pay the Installment Payments from Net Revenues.

For further information regarding SGMA, see Appendix A under the caption "WATER SUPPLY—Groundwater."

Limitations on Remedies Available; Bankruptcy

The enforceability of the rights and remedies of the Owners of the Certificates and the obligations of the District may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercising of powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation or modification of their rights.

The opinion to be delivered by Bond Counsel and concurrently with the execution and delivery of the Certificates will be subject to such limitations and the various other legal opinions to be delivered concurrently with the execution and delivery of the Certificates will be similarly qualified. See Appendix D. In the event that the District fails to comply with its covenants under the Installment Sale agreement or fails to pay the Installment Payments, there can be no assurance of the availability of remedies adequate to protect the interest of the Owners of the Certificates.

Limited Obligations

Notwithstanding anything contained in the Installment Sale Agreement, the District is not required to advance any moneys derived from any source of income other than the Net Revenues, the Revenue Fund and the other funds provided in the Installment Sale Agreement for the payment of amounts due under the Installment Sale Agreement or for the performance of any agreements or covenants required to be performed by it contained in the Installment Sale Agreement. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

Statutory and Regulatory Compliance

Laws and regulations governing treatment and delivery of water and the treatment and disposal of wastewater are enacted and promulgated by federal, State and local government agencies. Compliance with these laws regulations is and will continue to be costly, and, as more stringent standards are developed, such costs will likely increase.

Claims against the District for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the water system and the sewer system of the District and constitute Operation and Maintenance Expenses or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for municipal water and wastewater systems such as those operated by the District may also lead to administrative orders issued by federal or State regulators. Future compliance with such orders can also impose substantial additional costs on the District. In addition to the other limitations described herein, the State electorate or Legislature could adopt a Constitutional amendment, legislation or an initiative with the effect of reducing revenues payable to or collected by the District. No assurance can be given that the cost of compliance with such laws, regulations and orders would not adversely affect the ability of the District to generate Net Revenues in amounts that are sufficient to pay the Installment Payments.

Parity Obligations

Pursuant to the Installment Sale Agreement, the District may at any time issue additional Parity Obligations payable from Net Revenues on parity with the obligation to make the Installment Payments in accordance with the Installment Sale Agreement. The incurrence or issuance of additional Parity Obligations could result in reduced Net Revenues available to pay the Installment Payments. The District has covenanted in the Installment Sale Agreement to impose rates and charges as more particularly described under the caption "SECURITY FOR THE INSTALLMENT PAYMENTS — Rate Covenant". See also the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Limitations on Parity and Superior Obligations.

Loss of Tax Exemption

The Interest Installments of the Installment Payments could become includable in gross income for purposes of federal income taxation retroactive to the date that the Certificates were executed and delivered as a result of future acts or omissions of the District in violation of its covenants in the Trust Agreement. In addition, current and future legislative proposals, if enacted into law, may cause the Interest Installments of the Installment Payments to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals. See the caption "TAX MATTERS." Should such an event of taxability occur, the Certificates are not subject to special prepayment as a result such event and will remain outstanding until maturity.

Secondary Market

There can be no guarantee that there will be a secondary market for the Certificates or, if a secondary market exists, that any Certificates can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected

with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Cybersecurity

The District relies on computers and technology to conduct its operations. The District, like many public agencies, faces the risk of cyber threats including, but not limited to, hacking, viruses, malware and other forms of attacks. Recently, there have been significant cybersecurity incidents affecting municipal agencies, including attacks specifically targeting water/wastewater industrial control systems. In addition to maintaining cyber liability insurance through the Public Risk Innovation, Solutions and Management, the District's cyber security operations includes 24x7 monitoring by a Managed Security Services Provider, NIST-aligned processes, and employees with cybersecurity certifications. The District also engages an independent third party consultant to annually assess its cyber security, including critical data assets, potential system vulnerabilities and the District's ability to respond effectively to cybersecurity threats. See Appendix A—"IRVINE RANCH WATER DISTRICT—Water and Sewer System Insurance."

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the holders and beneficial owners of the Certififcates to provide certain financial information and operating data relating to the District (each an "**Annual Report**") by not later than each April 1 following the end of its Fiscal Year (commencing April 1, 2027 for the Fiscal Year ending June 30, 2026), and to provide notices of the occurrence of certain enumerated events. The Annual Reports will be filed by the District with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("**EMMA**") System (the "**Repository**") for the purpose of S.E.C. Rule 15c2-12(b)(5) (the "**Rule**"). The notices of enumerated events will be filed by the District with the Repository. The specific nature of the information to be made available and to be contained in the notices of enumerated events is summarized in Appendix F—"FORM OF CONTINUING DISCLOSURE CERTIFICATE" hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

[The District has previously entered into continuing disclosure undertakings under the Rule in connection with the issuance of municipal obligations. The District believes that it is currently in material compliance with all of its continuing disclosure undertakings. However, the District's Annual Reports for Fiscal Year 2020 mistakenly omitted a table that was required to be updated annually in connection with two District bond issuances. Makeup filings containing the required information were posted to EMMA prior to the date of this Official Statement. Except as disclosed above, the District has not in the past five years failed to comply with its continuing disclosure undertakings in any material respect.]

In order to promote compliance by the District with its continuing disclosure undertakings in the future, the District has developed policies and procedures to govern its continuing disclosure practices.

LITIGATION

There is no action, suit or proceeding known to be pending or threatened, restraining or enjoining the District or the Corporation in the execution or delivery of, or in any way contesting or affecting the validity of, Installment Sale Agreement or the Certificates. There is no litigation known to be pending, or to the knowledge of the District and the Corporation, threatened, questioning the existence of the District, the Corporation or the title of the officers of the District and the Corporation to their respective offices.

There exist lawsuits and claims against the District that are incidental to the ordinary course of the District's operations. In the view of the District's management and General Counsel, there is no litigation, present or pending, that will individually or in the aggregate materially impair the District's ability to service its indebtedness or to expend the proceeds for the purposes for which the Certificates are authorized or which will have a material adverse effect on the business operations of the District.

RATINGS

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("**S&P**") and Fitch Ratings, Inc. ("**Fitch**") have assigned the Certificates the ratings of "_____" and "_____," respectively. Generally, rating agencies base their ratings on information and material furnished directly to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions made by them. The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the applicable rating agency. Future events could have an adverse impact on the ratings of the Certificates, and there is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. There is also no assurance that the criteria required to achieve the ratings on the Certificates will not change during the period that the Certificates remain outstanding. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Certificates.

In providing ratings on the Certificates, S&P and Fitch may have performed independent calculations of coverage ratios using their own internal formulas and methodology, which may not reflect the provisions of the Installment Sale Agreement. The District makes no representations as to any such calculations, and such calculations should not be construed as a representation by the District as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the District ("Special Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the Interest Installments of the Installment Payments are excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and are exempt from State of California personal income taxes. Special Counsel is of the further opinion that the Interest Installments of the Installment Payments are not a specific preference item for purposes of the federal individual alternative minimum tax. Special Counsel observes that the Interest Installments of the Installment Payments included in adjusted financial statement income of certain corporations are not excluded from the federal corporate alternative minimum tax. Special Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Certificates, or the amount, accrual or receipt of Interest Installments of the Interest Payments. A complete copy of the proposed form of opinion of Special Counsel is set forth in Appendix D hereto.

To the extent the issue price of any maturity of the Certificates is less than the amount to be paid at maturity of such Certificates (excluding amounts stated to be interest and payable at least annually over the term of such Certificates), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Owner thereof, is treated as interest evidenced by the Certificates which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Certificates is the first price at which a substantial amount of such maturity of the Certificates is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Certificates accrues daily over the

term to maturity of such Certificates on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Certificates to determine taxable gain or loss upon disposition (including sale, prepayment, or payment on maturity) of such Certificates. Owners of the Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Certificates with original issue discount, including the treatment of Owners who do not purchase such Certificates in the original offering to the public at the first price at which a substantial amount of such Certificates is sold to the public.

Certificates purchased, whether at original execution and delivery or otherwise, for an amount higher than their principal evidenced thereby payable at maturity (or, in some cases, at their earlier prepayment date) ("Premium Certificates") will be treated as having amortizable premium. No deduction is allowable for the amortizable premium in the case of obligations like the Premium Certificates, the Interest Installments of which are excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an Owner's basis in a Premium Certificate, will be reduced by the amount of amortizable premium properly allocable to such Owner. Owners of Premium Certificates should consult their own tax advisors with respect to the proper treatment of amortizable premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of the Interest Installments of the Installment Payments. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that the Interest Installments will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in the Interest Installments being included in gross income for federal income tax purposes, possibly from the date of original execution and delivery of the Certificates. The opinion of Special Counsel assumes the accuracy of these representations and compliance with these covenants. Special Counsel have not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Counsel's attention after the date of execution and delivery of the Certificates may adversely affect the value of, or the tax status of the Interest Installments. Accordingly, the opinion of Special Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Special Counsel is of the opinion that the Interest Installments of the Installment Payments are excluded from gross income for federal income tax purposes and are exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest with respect to, the Certificates may otherwise affect an Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Owner or the Owner's other items of income or deduction. Special Counsel expresses no opinion regarding any such other tax consequences.

Current and future federal or state legislative proposals, if enacted into law, clarification of the Code or court decisions may cause the Interest Installments of the Installment Payments to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Certificates. Prospective purchasers of the Certificates should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Counsel expresses no opinion.

The opinion of Special Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Counsel's judgment as to the proper treatment of the Certificates for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Counsel cannot give and has not given any opinion or assurance about the future

activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Special Counsel's engagement with respect to the Certificates ends with the execution and delivery of the Certificates, and, unless separately engaged, Special Counsel is not obligated to defend the District or the Owners regarding the tax-exempt status of the Interest Installments of the Installment Payments in the event of an audit examination by the IRS. Under current procedures, Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Certificates for audit, or the course or result of such audit, or an audit of bonds or obligations presenting similar tax issues may affect the market price for, or the marketability of, the Certificates, and may cause the District or the Owners to incur significant expense.

Payments with respect to the Certificates generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Owner of Certificates may be subject to backup withholding with respect to "reportable payments," which include the Interest Installments of the Installment Payments and the gross proceeds of a sale, exchange, prepayment, retirement or other disposition of the Certificates. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

UNDERWRITING

The Certificates are being purchased pursuant to a purchase contract between the District and J.P. Morgan Securities LLC, on behalf of itself and as representative of Goldman Sachs & Co. LLC, Truist Securities, Inc. and Wells Fargo Bank, National Association (collectively, the "**Underwriters**").

The Underwriters have agreed to purchase the Certificates at a purchase price of $_____, which is equal to the aggregate principal amount of the Certificates, [plus/less] [net] original issue [premium/discount] of $_____ and less an Underwriters' discount of $_____. The purchase contract provides that the Underwriters will purchase all of the Certificates if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the purchase contract.

The Underwriters may offer and sell the Certificates to certain dealers and others at prices or yields below those stated on the cover page of this Official Statement. The offering prices or yields may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and certain of their respective affiliates have provided, and may in the future provide, a variety of these services to the District and to persons

and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

J.P. Morgan Securities LLC ("JPMS"), an underwriter of the Certificates, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Certificates from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Certificates that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), one of the underwriters of the Certificates, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") (""WFA"), for the distribution of certain municipal securities offerings, including the Certificates. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Certificates with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Certificates. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. W FBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Los Angeles, California, is acting as the municipal advisor (the "**Municipal Advisor**") to the District in connection with various matters relating to the sale of the Certificates. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the District and the Board, with respect to the accuracy and completeness of disclosure of such information. No guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of this Official Statement or any other matter related to thereto. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

APPROVAL OF LEGAL PROCEEDINGS

The Certificates will be offered, when, as and if delivered, subject to the approval of the legality of the Installment Sale Agreement by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Special Counsel to the District, and certain other conditions. Special Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement. The form of approving opinion of Special Counsel is included as Appendix D to this Official Statement and the approving opinion will be delivered with the Certificates. Certain legal matters will be passed upon for the District by its General Counsel, for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and for the Underwriters by Kutak Rock LLP, and for the Trustee by its counsel.

INDEPENDENT ACCOUNTANTS

The financial statements of the District at June 30, 2025, included in Appendix B to this Official Statement, have been audited by Davis Farr LLP, independent accountants (the "**Auditor**"), as set forth in their Independent Auditor's Report, which also appears in Appendix B. The Auditor has not reviewed the contents of this Official Statement, and the District has not sought the Auditor's consent to the inclusion of the Auditor's audit letter attached to the District's financial statements in this Official Statement.

MISCELLANEOUS

References made herein to certain documents and reports are brief summaries thereof and do not purport to be complete or definitive and reference is hereby made to such documents and reports for a full and complete statement of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or registered owners of any of the Certificates. The delivery and distribution of this Official Statement have been duly authorized by the District.

IRVINE RANCH WATER DISTRICT

By: _____
Treasurer

APPENDIX A

IRVINE RANCH WATER DISTRICT

APPENDIX B

AUDITED FINANCIAL STATEMENTS

APPENDIX C

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D

FORM OF SPECIAL COUNSEL OPINION

APPENDIX E

BOOK-ENTRY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the District and the Underwriter believe to be reliable, but neither of the District nor the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Certificates, payment of principal, premium, if any, accreted value and interest with respect to the Certificates to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Certificates and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Certificates, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by

an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as prepayments, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Certificates within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Prepayment proceeds, distributions, and dividend payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Certificate Owner shall give notice to elect to have its Certificates purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Certificates by causing the Direct Participant to transfer the Participant's interest in the Certificates, on DTC's records, to the Trustee. The requirement for physical delivery of Certificates in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Certificates are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Certificates to the Trustee's DTC account. DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE CERTIFICATES, WILL SEND ANY NOTICE OF PREPAYMENT OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE PREPAYMENT OF THE CERTIFICATES CALLED FOR PREPAYMENT OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "**Disclosure Certificate**") is entered into by the Irvine Ranch Water District (the "**District**") in connection with the execution and delivery of the Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 (the "**Certificates**"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of _____ 1, 2026 (the "**Trust Agreement**"), by and among U.S. Bank Trust Company, National Association, as trustee, the District and the Irvine Ranch Water District Service Corporation. The District covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term "Annual Report" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term "Beneficial Owner" means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Certificates for federal income tax purposes.

EMMA. The term "EMMA" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at http://emma.msrb.org/.

Financial Obligation. The term "Financial Obligation" means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Fiscal Year. The term "Fiscal Year" means the one-year period ending on the last day of June of each year. In the event of a change in the District's Fiscal Year, the District shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

Holder. The term "Holder" means a registered owner of the Certificates.

Listed Events. The term "Listed Events" means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term "Official Statement" means the Official Statement dated _____, 2026 relating to the Certificates.

Participating Underwriter. The term "Participating Underwriter" means any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Certificates.

Rule. The term "Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The District shall provide not later than each April 1 following the end of its Fiscal Year (commencing April 1, 2027 for the Fiscal Year ending June 30, 2026) to EMMA an Annual Report relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the District is unable to provide to EMMA an Annual Report by the date required in subsection (a), the District shall send to EMMA a notice in the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) audited financial statements of the District for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they come available.

(b) To the extent not included in the audited financial statements provided pursuant to the foregoing Section 4(a), the Annual Report shall contain an update of the information in the following tables and/or captions in Appendix A to the Official Statement, substantially in the form set forth in the Official Statement:

1. Information under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness;"

2. The table "IRVINE RANCH WATER DISTRICT Historic Water Supply In Acre Feet Per Year" under the caption "WATER SUPPLY—Historic and Projected Water Supply;"

3. Information under the caption "THE WATER SYSTEM—Historic Water Connections;"

4. Information under the caption "THE WATER SYSTEM—Historic Water Deliveries/Sales;"

5. Information under the caption "THE WATER SYSTEM—Water System Rates and Charges;"

6. Information under the caption "THE SEWER SYSTEM—Historic Sewer and Recycled Water Connections;"

7. Information under the caption "THE SEWER SYSTEM—Sewer System Rates and Charges;"

8. Information under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Historic Operating Results and Debt Service Coverage;"

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);

6. tender offers;

7. defeasances;

8. ratings changes;

9. bankruptcy, insolvency, receivership or similar proceedings;

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person; and

10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Certificates or other events affecting the tax status of the Certificates;

2. modifications to the rights of Certificate holders;

3. optional, unscheduled or contingent Certificate prepayments;

4. release, substitution or sale of property securing repayment of the Certificates;

5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

(c) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

6. Customarily Prepared and Public Information. Upon request, the District shall provide to any person financial information and operating data regarding the District that is customarily prepared by the District and is publicly available.

7. Termination of Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized Special Counsel, such amendment or waiver is permitted by the Rule.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holders or Beneficial Owners of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Certificates may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the District satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Dated: _____, 2026

IRVINE RANCH WATER DISTRICT

By: _____
Its: Treasurer

APPENDIX A

IRVINE RANCH WATER DISTRICT

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INTRODUCTION

The following sets forth certain information relating to the Irvine Ranch Water District (the "**District**") and certain of its improvement districts.

The District's projections in Tables 12, 15, 17, 19, 23, 25, 27, 30 and 32 of this Appendix A (the "**Projections**") are derived from historic trends and experience and internal financial models. The internal models are used by the District to identify future infrastructure funding requirements, and to aid in setting water and sewer rates, charges and connection fees. Key inputs include assumptions based on historical experience and other factors regarding the District's cost of borrowing, the rate of return on District investments, inflation, project costs, property tax receipts and the timing and amount of future bond sales, as well as the pace and scope of real estate development activity within the District's service area. The District is in regular contact with major Orange County real estate development companies to assess and update this information.

The Projections constitute forward-looking statements. No assurance can be given that the future results reflected in the Projections and otherwise discussed herein will be achieved, and actual results may differ materially from the Projections. As noted above, the Projections rely heavily on certain assumptions regarding the pace and scope of real estate development activity within the District's service area. Such activity may be affected by a variety of factors, such as tighter lending standards for real estate loans. Real estate development activity also may be affected by general economic conditions. The District has attempted to reflect such conditions in the Projections, but is unable to predict with certainty the level of future real estate development activity or the other factors affecting the Projections.

In addition to the specific limitations on remedies contained in the applicable documents themselves, the rights and obligations with respect to the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, and to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California (the "**State**"). The various opinions of counsel that will be delivered with respect to such documents, including the opinion of Bond Counsel (the form of which is attached to the Official Statement as Appendix E), were similarly qualified.

Unless the context otherwise requires, all defined terms used herein shall have the same meanings set forth in the Official Statement, except that the term "**Improvement Districts**" as used in this Appendix A refers to all eight water improvement districts and ten sewer improvement districts of the District.

THE IRVINE RANCH WATER DISTRICT

General

The District was established in 1961 as a California Water District under the provisions of Section 34000 *et seq*. of the California Water Code (the "**Act**"). As a special district, the District focuses on four primary services – providing potable water, collecting and treating sewage, producing and distributing recycled and other non-potable water, and implementing urban runoff source control and treatment programs.

The District serves a 181-square-mile area, which includes all of the City of Irvine and portions of the cities of Tustin, Newport Beach, Costa Mesa, Orange and Lake Forest, as well as certain unincorporated areas of Orange County. Extending from the Pacific Coast to the top of the foothills of eastern Orange County, the District's region is semi-arid with a mild climate and an average annual rainfall of approximately 12 inches. The District serves a total estimated daytime population of approximately 639,000 and includes approximately 126,000 water and 121,000 sewer service and recycled water connections. The number of service connections has increased by approximately 18% over the last ten years.

The District builds and maintains significant capital infrastructure in order to serve its customers and is organized into Improvement Districts in order to allocate funding responsibility for the area which will benefit from such capital facilities and to separate areas on the basis of projected timing of development. This allows capital facilities construction to be matched to the development approval decisions of the respective local agencies that make them. Some of the Improvement Districts share in the funding of the District's regional facilities that those Improvement Districts use or will use in common, such as major water importation facilities and water and wastewater treatment plants. In 2013, the District revised its capital funding plan, which resulted in a master consolidation and combination of several Improvement Districts. The District now has a total of eight water Improvement Districts and ten sewer Improvement Districts which cover specific areas within the District's boundaries, each of which is governed in accordance with the Act and all but one of which have the authority to issue general obligation indebtedness.

See Table 3 under the caption "—Outstanding Indebtedness—Improvement District Indebtedness" for information with respect to the amount of authorized and outstanding *ad valorem* assessment bonds for the Improvement Districts.

The principal office of the District is located at 15600 Sand Canyon Avenue, Irvine, California 92618.

Board of Directors and General Manager

The District's Board of Directors consists of five Directors who are elected by resident voters for staggered four-year terms. In 2019, the Board of Directors adopted a resolution changing the District's election procedures from at-large elections to by-division elections, which has resulted in the creation of five divisions of roughly equal population sizes within the District. By-division elections took place for three members of the Board of Directors in November 2022 and for the other two Board members in November 2024. The policies of the Board of Directors are administered by the General Manager of the District.

Board of Directors. The present Directors are:

Steven E. LaMar, Division 2. Mr. LaMar was appointed to the District's Board of Directors in 2009 and has since been elected to subsequent terms. He currently serves as President of the Board of Directors and he previously served as President in 2011, 2014, 2015, 2019, 2020 and 2022. He also previously served as Vice President in 2013, 2018, 2024 and 2025. Mr. LaMar is committee chair of the District's Water Resources Policy and Communications Committee. Mr. LaMar is a water policy and planning expert with more than 25 years of experience on statewide business and industry committees. He has directly participated in many major water policy forums and served on statewide task forces and advisory committees on drought planning, desalination, the California Bay-Delta, the California Water Plan and on water reliability and conservation issues. He is a retired state lobbyist and consultant to several of California's most successful master-planned community developers and homebuilders. He served as a water policy leader with the California Building Industry Association for more than 20 years. He is a past president of ACWA. He was a member of the California Water Plan 2009 Advisory Committee and a member of the Delta Vision Stakeholders Coordination Group. He was chair of the Economic Work Group for the 2006 California Landscape Task Force. He served as a member of the 2003 State Water Desalination Task Force and the 2000 Governor's Advisory Drought Planning Panel, and was chair of the California Building Industry Association's statewide Water Resources Subcommittee and Task Force. Mr. LaMar is president of the Natural Communities Coalition, a nonprofit entity implementing habitat restoration for over 37,000 acres of open space land in Orange County. He serves on the board of directors of the Southern California Water Coalition and the California Council for Environmental and Economic Balance and is the District representative on the Water Affiliates Group to the Center for Western Weather and Water Extremes at Scripps Institution of Oceanography. Mr. LaMar holds a bachelor's degree in political science from Pittsburg State University and a professional certificate from the Environmental Management Institute, the U.S. Environmental Protection Agency environmental training program administered by the University of Southern

California. Mr. LaMar is also a past president of the Alzheimer's Association of Orange County. Mr. LaMar's current term ends in November 2026.

Daniel R. Ferons, Division 4. Mr. Ferons was elected to the District's Board of Directors in 2024. He currently serves as Vice President of the Board of Directors. He is committee chair of the District's Supply Reliability Programs Committee and the Finance and Personnel Committee. Mr. Ferons is a water professional with more than 40 years of experience planning, designing, financing and operating public systems providing drinking water, recycled water, and sewer services. Mr. Ferons retired as Chief Executive Officer of Santa Margarita Water District, where he led a team of 175 employees serving more than 200,000 residents from Mission Viejo to San Clemente. Key projects under his leadership included construction of the Upper Chiquita Reservoir and Dam for emergency drinking water storage, a reverse osmosis water treatment plant, and Trampas Reservoir, a 1.2-billion-gallon recycled water storage reservoir. Mr. Ferons is a founding member of the Community Water System Alliance, a nonprofit group focused on promoting collaboration among water agencies to improve water services for disadvantaged and income-limited communities. Mr. Ferons's current term ends in November 2028.

Douglas J. Reinhart, Division 3. Mr. Reinhart was appointed to the District's Board of Directors in 2004 and has since been elected to subsequent terms. He previously served as President of the Board of Directors in 2007, 2009, 2010, 2013, 2017, 2018, 2021, 2024 and 2025. He also previously served as Vice President in 2006, 2016, 2020, and 2023. Mr. Reinhart is committee chair of the Engineering and Operations Committee and serves on the Finance and Personnel Committee. Mr. Reinhart is a registered civil engineer with more than 30 years of experience in the private sector directing projects in water, wastewater and other infrastructure. Mr. Reinhart was president and part-owner of ASL Consulting Engineers before its acquisition by Tetra Tech in 1999. Mr. Reinhart then served as the Divisional Executive Vice President for Tetra Tech for the western United States before starting an independent consulting business in 2004. Mr. Reinhart is familiar with special district functions, he served as a director on the board of El Toro Water District from 1998 to 2000. During that time, he served as vice president of the board and was the special district representative to the Local Agency Formation Commission of Orange County. Mr. Reinhart holds a bachelor's degree in civil engineering from the Missouri School of Mines and Metallurgy (now Missouri University of Science and Technology), and he is a licensed civil engineer in both California and Arizona. Mr. Reinhart has served on the board of trustees of the Southern California Water Committee, the American Water Works Association Desalination Committee and the Association of California Water Agencies ("**ACWA**") Groundwater Committee. He is a past member of the board of directors for the national WateReuse Association. In addition, he is also a member of both the American Society of Civil Engineers and the American Public Works Association. Mr. Reinhart's current term ends in November 2026.

Peer Swan, Division 5. Mr. Swan was elected to the District's Board of Directors in 1979 and has since been elected to subsequent terms. He previously served as President from 1982 to 1995 and again in 2006. He also previously served as Vice President in 1980, 1981, 1998, 2002, 2003, 2009, 2010, 2014 and 2017. Mr. Swan serves on the Supply Reliability Programs Committee. Mr. Swan is a member of the Water Advisory Committee of Orange County, where he is a past chairman. He is a former member of the Metropolitan Water District Board of Directors. He is a 15-year former member of the Orange County Sanitation District Board of Directors where he served as Vice Chairman for six years. He is a founding board member of the Ground Water Replenishment Joint Committee. He is a longtime member and Treasurer of the Southern California Water Committee. He is a founding member and president of the board of the San Joaquin Wildlife Sanctuary and a member of the Steering Committee of the Southern California Water Dialog Committee. He has been active in the Association of California Water Agencies, where he served on the board of directors and on the executive committee. He has been active in the California Association of Sanitation Agencies, where he served as chairman of the Directors Committee. He was an active member of the Water Supply Pillar of the One Water One Watershed process. He was recently appointed to the Board of the Urban Water Institute. Mr. Swan was the treasurer of the Pacific Scientific Company prior to its acquisition in early 1998 and a member of the board of directors of the Southern California Bank and its parent, SC Bancorp, until its acquisition in 1997. He also served as a board member of the YMCA of Orange County and the Orange Coast College Foundation, where he

was the founding treasurer of the board. He was also a founding director of the board of the National Water Research Institute, where he was chairman for four years. He is a longtime member of the National Audubon Society and its local chapter, Sea & Sage. Mr. Swan's current term ends in November 2026.

John B. Withers, Division 1. Mr. Withers was appointed to the District's Board of Directors in 1989 and has since been elected to subsequent terms. He previously served as President of the Board of Directors in 2004 and as Vice President in 2012 and 2021. Mr. Withers serves on the Engineering and Operations Committee. Mr. Withers is a partner with California Strategies, LLC, in Irvine, a statewide strategic government-relations firm. In past positions, he has served as vice president of community development for Lewis Operating Corp. and as director of water resources for Psomas & Associates, a civil engineering and planning firm. He was also the director of governmental affairs for the Building Industry Association Orange County Chapter and a legislative advocate for Crocker Bank and a major trade association in Sacramento. Mr. Withers is a member and past chairman of the Orange County Sanitation District Board of Directors, where he has served since 2009. He is chairman and board member of the National Water Research Institute, a former chair and commissioner of the Local Agency Formation Commission and a former chair and member of the Santa Ana Regional Water Quality Control Board. A native Southern Californian, Mr. Withers earned his bachelor of arts degree in economics from the University of California, Los Angeles, with a specialization in urban studies. He was then selected as a CORO Foundation Fellow and earned a master's degree in urban studies from Occidental College. Mr. Withers' current term ends in November 2028.

General Manager. Paul A. Cook, the General Manager of the District was appointed General Manager in October 2011. Mr. Cook previously served as Interim General Manager from July to October 2011 and held the position of Assistant General Manager from 2004 to July 2011. Mr. Cook is a registered civil engineer with over 30 years of experience with water and wastewater systems in the public and private sectors. Prior to joining the District, he served as the Manager of Engineering for Central and West Basin Municipal Water Districts in Carson, California. He also served as the District Engineer for Los Alisos Water District in Lake Forest. In the private sector, Mr. Cook held engineering and project management positions with BFI Constructors and Turner Construction Company. He was elected to the Orange County Water District Board of Directors in 2002 and served for three years, representing communities in Irvine, Tustin and Newport Beach. Mr. Cook received his bachelor of science degree in Civil Engineering from the University of the Pacific, his masters of science degree in Civil Engineering from California State University of Long Beach and his masters in business administration from the University of California, Irvine.

Employees

The District currently employs approximately 420 regular employees and 27 temporary workers and part-time interns. In January 2018, the International Brotherhood of Electrical Workers ("**IBEW**") became the exclusive representative for the Irvine Ranch Water General Unit and for the Non-Exempt Supervisors Unit. The General Unit includes 243 employees, the Non-Exempt Supervisors Unit includes 29 employees, and 148 employees are unrepresented. The IBEW Memorandum of Understanding for the General Unit and the IBEW Memorandum of Understanding for the Non-Exempt Supervisors Unit govern relations between the District and the IBEW for a term running through June 30, 2031. The District has not experienced any strike or other labor actions.

Pension Benefits

General. The District participates in two plans to fund pension benefits for its employees, the California Public Employees Retirement System ("**CalPERS**") Plan and the Pension Benefits Trust. The District makes a required annual contribution to the CalPERS Plan and has elected to fund additional amounts to a trust that has been established under Internal Revenue Code Section 115 (the "**Pension Benefits Trust**"). The Pension Benefits Trust is irrevocable and holds funding contributions for the District pending future remittance to the CalPERS Plan, which will pay all retiree benefit payments to employees. The District's total pension assets include funds held by both CalPERS and the Pension Benefits Trust. As of June 30, 2025, the District reflected

a net pension liability of approximately $87.7 million, a decrease of approximately $1.0 million from the net pension liability as of June 30, 2024. The net pension liability is the difference between total pension liability and the fair market value of CalPERS assets. Including moneys held in the Pension Benefits Trust that is discussed below under the subcaption "—Pension Benefits Trust," the District's pension assets cover 109.3% of the total pension liability.

CalPERS Plan. The District contributes to CalPERS, an agent multiple-employer public employee defined benefit pension plan for all of the District's full-time and certain of its temporary employees that have worked for the District for a total of over 1,000 hours. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the District.

CalPERS plan benefit provisions and all other requirements are established by State statute and the District's Board of Directors. Participants in the District's CalPERS plan contribute the full amount of the required employee contribution, which is up to 8% of their annual covered salary, depending on benefit level.

Employer contribution rates for all public employers are determined on an annual basis by the CalPERS actuary and are effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount, expressed as a percentage of payroll, that is necessary to finance the costs of benefits that are earned by employees during the year (normal costs), with an additional required amount to finance any unfunded accrued liability. The District's normal cost contribution for the District fiscal year ended June 30 ("**Fiscal Year**"), 2025 was $4.8 million and the unfunded accrued liability contribution was $8.6 million, for a total contribution of $13.4 million. The District's estimated total contributions, including normal and unfunded accrued liabilities, for Fiscal Year 2026 are expected to be approximately $14.1 million.

Pension Benefits Trust. The District recognizes that defined benefit plans and the related future pension obligations pose significant issues for many government agencies. The District has taken a proactive approach to address these issues by establishing a Pension Benefits Trust in Fiscal Year 2013 to assist in funding its CalPERS unfunded liability, providing the District with an alternative to CalPERS that allows for investment by a professional fund management team selected and monitored by the District. The Pension Benefits Trust holds the funding contributions from the District pending future remittance to CalPERS' pension trust fund, which will pay all retiree benefit payments to employees associated with the District's plan. Future contributions will be transferred to CalPERS at the District's discretion. The funds held in the Pension Benefits Trust are legally protected from the claims of the general creditors of the District. Contributions to the Pension Benefits Trust and earnings on those contributions are irrevocable.

In Fiscal Year 2013, the District made an initial $35.0 million contribution to the Pension Benefits Trust. From Fiscal Years 2014 through 2018, the District made total additional contributions of $20.9 million to the Pension Benefits Trust. The District did not make any additional contributions to the Pension Benefits Trust in any of Fiscal Years 2019 through 2025. As of June 30, 2025, the fair market value of the assets in the Pension Benefits Trust was approximately $139.7 million, an increase of approximately $16.0 million from the market value of the assets in the Pension Benefits Trust as of June 30, 2024. Additional information on the Pension Benefits Trust's investments can be found in Note 2 to the District's audited financial statements for Fiscal Year 2025 attached to the Official Statement as Appendix B.

A summary of principal assumptions and methods used to determine the total pension liability for Fiscal Year 2025 is shown below.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68 ("**GASB 68**")
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table[(1)]	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Source: The District.

The above information is primarily derived from information produced by CalPERS. The District has not independently verified the information provided and neither makes any representations nor expresses any opinion as to the accuracy of the information provided by CalPERS.

The annual comprehensive financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. The textual reference to such Internet website is provided for convenience only. None of the information on such Internet website is incorporated by reference herein. The District cannot guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future.

Funding of CalPERS Plan. The Schedule of Funding Progress below shows District's total pension liability, CalPERS assets, Pension Benefits Trust assets, and the relationship of the total pension liability (in thousands of dollars) to such assets.

IRVINE RANCH WATER DISTRICT
Schedule of Funding Progress
(In Thousands)

Fiscal Year[(1)]	*Total Pension Liability*	*CalPERS Assets*	*Net Pension Liability/(Asset)*	*Pension Benefits Trust Assets*	*CalPERS Assets as % of Total Pension Liability*	*Pension Benefits Trust Assets as % of Total Pension Liability*	*Total Pension Assets[(2)] as % of Total Pension Liability*
06/30/21	$306,889	$232,184	$74,705	$ 83,103	75.7%	27.1%	102.7%
06/30/22	323,147	283,306	39,841	107,930	87.7	33.4	121.1
06/30/23	345,944	260,537	85,407	94,828	75.3	27.4	102.7
06/30/24	364,167	275,493	88,674	106,742	75.7	29.3	105.0
06/30/25	387,688	300,002	87,686	123,707	77.4	31.9	109.3

(1) Figures are as of the measurement dates of June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, which apply to the Fiscal Years ended June 30, 2021, June 30, 2022, June 30, 2023, June 30, 2024, and June 30, 2025, respectively.

(2) Reflects total of moneys held in CalPERS plan and in Pension Benefits Trust.

Source: The District.

Changes in the Net Pension Liability. The changes in the net pension liability for the District's CalPERS plan were as follows (in thousands):

TABLE 1
IRVINE RANCH WATER DISTRICT
Changes in Net Pension Liability
(In Thousands)

	Increase (Decrease)		
	Total Pension Liability	***Plan Fiduciary Net Position***[(1)]	***Net Pension Liability / (Asset)***
Balance at June 30, 2024	$ 364,167	$ 275,493	$ 88,674
Changes	23,521	24,509	(988)
Balance at June 30, 2025	$ 387,688	$ 300,002	$ 87,686

(1) Excludes assets held in Pension Benefits Trust, in accordance with GASB Implementation Guide No. 2017-1. As of June 30, 2025, the Pension Benefits Trust had assets of $139.7 million, which will be used to reduce the net pension liability.
Source: The District.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following table presents the net pension liability of the District's CalPERS Plan (in thousands), calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the current rate:

TABLE 2
IRVINE RANCH WATER DISTRICT
Sensitivity of the Net Pension Liability to Changes in the Discount Rate[(1)]
(In Thousands)

	Discount Rate – 1% (5.90%)	***Current Discount Rate (6.90%)***	***Discount Rate + 1% (7.90%)***
Plan's Net Pension Liability/(Asset)	$139,895	$87,686	$44,535

(1) Excludes assets held in Pension Benefits Trust, in accordance with GASB Implementation Guide No. 2017-1.
Source: The District.

Other Pension Benefits. The District enables all of its part-time and certain temporary employees to participate in a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. For Fiscal Year 2025, the District's payroll for the related part-time and temporary employees who are covered by the plan was $243,885 and the eligible employees contributed $20,369. The District made no contributions to the defined contribution plan during such Fiscal Year.

All regular, full-time District employees are eligible to participate in the District's deferred compensation program pursuant to Section 457 of the Internal Revenue Code whereby they can voluntarily contribute a portion of their earnings into a tax-deferred plan administered by the District and invested through a third party provider. Pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001, effective January 1, 2002, employees may contribute the lesser of 100% of includible compensation or the maximum dollar amount allowable under Internal Revenue Code Section 457 in effect for the year. The dollar amount in effect for calendar year 2025 was $23,500.

Effective January 1, 2008, for employees with one year or more of service, the District provides: (i) 100% matching of employee Section 457 plan contributions up to an annual maximum of 3% of the employee's base salary; and (ii) all full-time employees who have completed two years of regular, full-time service with the

District, are eligible for an additional District contribution equal to 1% of such employees' base salary. Such employer contribution amounts are deposited into a money purchase plan pursuant to Section 401(a) of the Internal Revenue Code. During Fiscal Year 2025, the District contributed approximately $1.5 million to employee accounts under the 401(a) plan.

The assets in both plans are held in trust for the exclusive benefit of the participants and their beneficiaries, and are therefore not reported in the financial statements of the District.

For additional information relating to the District's pension plans, see Notes 13 and 15 to the District's audited financial statements attached to the Official Statement as Appendix B.

Other Post-Employment Benefits

The District currently has three programs for post-employment benefits other than pensions ("**OPEB**"): the California Public Employees Medical and Hospital Care Act ("**PEMHCA**") premiums, a retiree healthcare costs reimbursement plan and a retiree death benefit life insurance program. Under the first program, the District pays the required healthcare coverage under PEMHCA, commonly referred to as "PERS Health." To qualify, employees must retire from the District and begin drawing CalPERS retirement benefits. Participation in PEMHCA is financed in part by the District through a contribution of $158.00 per employee per month (at current rates). The contribution rate is scheduled to be indexed with medical inflation in future years, although contributions could increase in greater amounts at the direction of CalPERS Board. In addition, the District pays 0.25% of the PEMHCA premium to cover administrative fees. In Fiscal Year 2025, the District contributed approximately $236,000 on behalf of retirees participating in the PEMHCA program and had approximately $278,000 for the estimated implied subsidy. The implied subsidy is the difference between average retiree claims and premiums charged by CalPERS.

As part of its retiree healthcare costs reimbursement plan, the District provides retirees who have attained age 55 and have completed at least 3 years of service with the District with reimbursement of eligible healthcare costs of $160 per month for retirees with at least 3 years of service up to a maximum of $600 per month for retirees with at least 25 years of service. In February 2023, the Board approved an enhancement to the Retiree Health Costs Reimbursement Plan ("**RHCRP**") by increasing each tier by $200 for eligible employees who retire from the District on or after July 1, 2023. In Fiscal Year 2025, the District contributed approximately $305,000 on behalf of retirees participating in the RHCRP.

Finally, the retiree death benefit life insurance program provides retirees who were hired on or before December 31, 2008 with term life insurance benefits with a face amount equal to 100% of their annual salary in effect at the time of retirement. Insured group-term life benefits end for all participants at age 70. The District provides a self-insured $10,000 death benefit for all participants already retired as of December 31, 2008 and for currently active Board members. To qualify, a retiree must have retired from the District, be at least 55 years old, have completed at least ten continuous years of service with the District, and must be drawing retirement benefits from CalPERS. In Fiscal Year 2025, the District contributed approximately $20,000 on behalf of retirees participating in this program.

The District had a total OPEB liability of approximately $20.4 million as of June 30, 2025. The discount rate used to measure the total OPEB liability was 3.93%, which was based on the Bond Buyer 20-Bond General Obligation Index. The OPEB contributions for the District's various OPEB plans are based on pay-as-you-go requirements. During Fiscal Year 2025, the District's contributions totaled approximately $800,000.

In 2023, the District established a trust under Internal Revenue Code Section 115 (the "**OPEB Trust**") to assist in funding its OPEB liability. The OPEB Trust holds the funding contributions from the District pending future remittance to the administrators of the District's three OPEB plans, which will pay the associated benefits. Future contributions will be transferred to the OPEB Trust at the District's discretion. The funds held in the

OPEB Trust are legally protected from the claims of the general creditors of the District. Contributions to the OPEB Trust and earnings on those contributions are irrevocable.

In Fiscal Year 2023, the District made an initial contribution of $10.0 million to the OPEB Trust. The District did not make any contributions to the OPEB Trust in Fiscal Year 2025 and has not budgeted to make a contribution to the OPEB Trust in Fiscal Year 2026. As of June 30, 2025, the fair market value of the assets in the OPEB Trust was approximately $13.1 million, an increase of approximately $1.5 million from the market value of the assets in the OPEB Trust as of June 30, 2024. Additional information on the OPEB Trust's investments can be found in Note 2 to the District's audited financial statements for Fiscal Year 2025 attached to the Official Statement as Appendix B.

Changes in the OPEB Liability. The changes in the liability for the District's OPEB plans were as follows (in thousands):

IRVINE RANCH WATER DISTRICT
Changes in OPEB Liability
(In Thousands)

	PEMHCA	***RHCRP***	***Retiree Death Benefit Only***	***Total***
Balance at June 30, 2024	$ 16,281	$ 4,289	$ 1,525	$ 22,095
Changes	(1,390)	186	(456)	(1,660)
Balance at June 30, 2025	$ 14,891	$ 4,475	$ 1,069	$ 20,435

Source: The District.

Sensitivity of the OPEB Liability to Changes in the Discount Rate. The following table presents the net OPEB liability, calculated using the discount rate of 3.93%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current rate:

IRVINE RANCH WATER DISTRICT
Sensitivity of the OPEB Liability to Changes in the Discount Rate
(In Thousands)

	Discount Rate – 1% (2.93%)	***Current Discount Rate (3.93%)***	***Discount Rate + 1% (4.93%)***
PEMHCA	$ 17,205	$ 14,891	$ 13,012
RHCRP	4,752	4,475	4,214
Retiree Death Benefit Only	1,147	1,069	999
Total	$ 23,104	$ 20,435	$ 18,225

Source: The District.

For additional information relating to the District's OPEB obligations, see Note 14 to the District's audited financial statements attached to the Official Statement as Appendix B.

Budget Process

The District adopts a budget every other year for a two-year period. Following the adoption of the operating budget, the Board of Directors approves a schedule of water, sewer and recycled water rates for the same two-year period. See the caption "CONSTITUTIONAL LIMITS ON APPROPRIATIONS AND CHARGES—Proposition 218."

The operating budget for Fiscal Years 2026 and 2027 was approved on March 24, 2025. On that date, the Board also adopted water and sewer rate increases that went into effect on July 1, 2025 and will go into effect on July 1, 2026 to cover costs associated with the two-year budget. See the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges."

Water and Sewer System Insurance

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, third party liability, errors and omissions and natural disasters. The District utilizes a combination of self-insurance, first-party coverage and third-party liability insurance to minimize loss exposures from property, third-party liability claims and workers' compensation claims. The District self-insures the first $50,000 per occurrence for property losses, $100,000 per occurrence for third-party liability claims, and $125,000 per occurrence for workers' compensation claims. The District implements various controls to minimize loss including, but not limited to, hosting routine employee safety meetings and training sessions, using uniform language in contracts designed to limit or prevent liability exposure, implementing cyber risk mitigation protocols, performing general risk assessments, and developing emergency plans (including a business continuity plan).

Property, boiler & machinery, pollution, aviation/drone, excess workers' compensation and cyber liability insurance is provided through participation in Public Risk Innovation, Solutions and Management ("**PRISM**"). PRISM is a joint exercise of powers authority that was formed by numerous public agencies in the State to provide risk management services and insurance programs to its members. Property insurance includes flood insurance but does not include earthquake insurance except for the District's real estate investment properties. See the caption "—Current Investments." General and excess liability coverage of $35,000,000 is also provided through participation in PRISM. Pollution and legal liability coverage for the Irvine Desalter Project is provided through an environmental pollution and remediation legal liability policy with Indian Harbor Insurance Company, an AXA XL company. The District also maintains commercial crime, difference in conditions (i.e. earthquake), railroad protective liability, fiduciary liability, aviation/drone coverage, and special liability insurance through its broker, Alliant Insurance Services. Settlements have not exceeded coverage for each of the past three Fiscal Years.

In addition to maintaining cyber liability insurance through PRISM, the District's cyber security operations includes 24x7 monitoring by a Managed Security Services Provider, NIST-aligned processes, and employees with cybersecurity certifications. The District also engages an independent third party consultant to annually assess its cyber security, including critical data assets, potential system vulnerabilities and the District's ability to respond effectively to cybersecurity threats.

Time and Manner of Payments for Service Charges

A majority of bills and charges for water and sewer, recycled water and natural treatment system service are billed monthly, due and payable upon presentation and become delinquent after 25 days. If payment is not received within 25 days after presentation, a late charge will be levied on any unpaid balance and after notice and proceedings as required by law (as described below), service may be discontinued. For late payment balances of $10 or more, a one-time late charge of 10% of the unpaid balance plus 1.5% interest will be assessed for each month until the unpaid balance has been paid in full. A shutoff notice is mailed out in conjunction with an automated courtesy phone call when the unpaid balance is at least $150 and at least 40 days delinquent. The District will disconnect service between day 60 and 65. Service is not restored until all charges, including a restoration charge, have been paid in full or the customer agrees to a payment arrangement. A small number of accounts located in Newport Beach, for which the District provides only sewer service, are billed on the County of Orange (the "**County**") tax rolls. The County remits 100% of the revenues from such sewer service to the District on an accrual basis when due (irrespective of actual collections) under the County's Teeter Plan. See the caption "—Alternative Method of Tax Apportionment – "Teeter Plan."

The District's shutoff policy complies with Senate Bill 998, which revised the requirements for residential shutoffs due to delinquent payments or non-payment effective February 1, 2020. Under the District's policy, the District may not discontinue residential water service for non-payment until the unpaid balance is at least $150 and at least 60 days delinquent. The District will notify the customer and provide the District's policy no less than seven business days before discontinuing service. Residential service may be discontinued no sooner than five business days after the District contacts the delinquent customer, or if no contact is established, posts a final Notice of Intent to Disconnect Service in a conspicuous location at the property that is served. The District also may not discontinue residential water service if all of the following conditions are met:

- Discontinuing water service poses a serious threat to the health and safety of a resident;

- The customer demonstrates that they are financially unable to pay for residential water service within the normal billing cycle (to qualify, the customer must participate in certain low income programs or certify that they are below 200% of the federal poverty level); and

- The customer agrees to a payment arrangement for past due amounts, generally not to exceed 12 months and must pay current charges.

If the customer's income is below 200% of the poverty line, then the restoration fee is limited to $57 during normal business hours or $172 after normal business hours.

The District's shutoff policy is available in English and seven other languages spoken by 10% or more of the District's customers. The District will also be required to report the number of annual discontinuations of residential water service for inability to pay; reporting will be done by posting this information on the District's website and notifying the Board of Directors.

Outstanding Indebtedness

Improvement District Indebtedness. As of December 31, 2025, the District had $448,900,000 aggregate principal amount of outstanding *ad valorem* assessment bonds (the "**Ad Valorem Assessment Bonds**") on behalf of the Improvement Districts. The Ad Valorem Assessment Bonds are secured by *ad valorem* assessments on land within the respective Improvement District, and are not by their terms payable from Revenues, except for the Series 2026A Bonds, Series 2026B Bonds, Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A (the "**Series 2025A Bonds**"), Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B (the "**Series 2025B Bonds**"), the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 (the "**Series 2011A-1 Bonds**"), the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2 (the "**Series 2011A-2 Bonds**") and the Bonds of Irvine Ranch Water District, Series 2016 (the "**Series 2016 Bonds**"), each of which is described below under the caption "—Parity Obligations." The District's practice has been to apply Net Revenues remaining after the payment of debt service on Parity Obligations and subordinate obligations to the principal of and interest on the Ad Valorem Assessment Bonds. Pursuant to Section 35975 of the Act, the District also may levy certain rates and charges in lieu of *ad valorem* assessments to pay the Ad Valorem Assessment Bonds. The District does not currently levy in-lieu rates and charges. Any such in-lieu rates and charges levied by the District in the future would not constitute Revenues. The following table illustrates a breakdown of outstanding Ad Valorem Assessment Bonds by Improvement District as of December 31, 2025.

TABLE 3
IRVINE RANCH WATER DISTRICT
Outstanding Ad Valorem Assessment Bonds By Improvement District

Improvement District	*Amount Authorized*	*Amount Issued*	*Remaining Unissued Bonds Authorized*	*Amount Outstanding as of December 31, 2025*
Waterworks Bonds				
110	$ 0	$ 0	$ 0	$ 0
112[(1)]	**28,512,300**	**8,111,479**	**20,400,821**	**6,749,832**
113[(1)]	**25,769,500**	**16,299,920**	**9,469,580**	**12,239,227**
125[(1)(2)]	**735,246,000**	**429,728,732**	**305,517,268**	**147,976,606**
153[(1)]	**237,300,000**	**7,601,244**	**229,698,756**	**6,918,309**
154	4,839,000	0	4,839,000	0
185[(1)]	**13,500,000**	**1,492,889**	**12,007,111**	**1,358,760**
188[(1)]	**8,174,000**	**4,589,618**	**3,584,382**	**1,588,292**
Total Waterworks Bonds	$ 1,053,340,800	$ 467,823,883	$ 585,516,917	$ 176,831,026
Sewer Bonds				
1[(3)]	$ 2,000,000	$ 2,000,000	$ 0	$ 0
212[(1)]	**108,712,000**	**26,013,323**	**82,698,677**	**22,061,440**
213[(1)]	**87,648,000**	**28,565,396**	**59,082,604**	**17,751,948**
225[(1)(4)]	**856,643,000**	**493,304,113**	**363,338,887**	**215,975,290**
240[(1)]	**117,273,000**	**49,722,056**	**67,550,944**	**3,533,649**
252	0	0	0	0
253[(1)]	**122,283,000**	**11,877,248**	**110,405,752**	**10,810,133**
256	0	0	0	0
285[(1)]	**21,300,000**	**1,808,776**	**19,491,224**	**1,646,266**
288[(1)]	**8,977,000**	**443,106**	**8,533,894**	**290,248**
Total Sewer Bonds	$ 1,324,836,000	$ 613,734,018	$ 711,101,983	$ 272,068,974
Total District	$ 2,378,176,800	$1,081,557,900	$ 1,296,618,900	$ 448,900,000

(1) The Series 2026A Bonds represent the consolidated, several general obligations of these Improvement Districts shown in bold. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS—General—Assessment Proceeds and Pledge of Revenues."

(2) Improvement District No. 125 was created on November 11, 2013 and reflects the consolidation of portions of former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.

(3) Also referred to as Improvement District No. 210.

(4) Improvement District No. 225 was created on November 11, 2013 and reflects the consolidation of portions of former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.

Source: The District.

Parity Obligations. In addition to the Series 2026A Bonds, the District has the following Outstanding Parity Obligations:

- Prior Reimbursement Agreements. In connection with the District's prior issuances of variable interest rate *ad valorem* assessment bonds, the District has entered into several reimbursement agreements (the "**Prior Reimbursement Agreements**") with various letter of credit banks (the "**Prior Banks**"). Pursuant to the terms of the Prior Reimbursement Agreements, the District's obligations to reimburse the Prior Banks will be payable from Net Revenues on parity with the Series 2026A Bonds and other Parity Obligations. There are currently no reimbursement obligations outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. Variable interest rate bonds that are purchased by a Prior Bank bear interest at a significantly higher interest rate, and a Prior Bank that has purchased such bonds may elect to convert the term of such bonds into a term loan that is amortizable over a period of up to three years, depending upon the applicable Prior Reimbursement Agreement, resulting in significant increases in debt service. The following table summarizes the stated amount of each letter of credit associated with the Prior Reimbursement Agreements.

TABLE 4
IRVINE RANCH WATER DISTRICT
Summary of Prior Reimbursement Agreements

General Obligation Bonds	*Outstanding Principal*	*Letter of Credit Bank*	*Expiration Date*	*Letter of Credit Stated Amount*	*Reimbursement Obligations Outstanding*
Series 2008A	$ 34,500,000	Sumitomo Mitsui Banking Corp.	03/13/28	$ 35,010,411	$ 0
Series 2009A	40,000,000	Bank of America, N.A.	05/01/28	40,447,123	0
Series 2009B	40,000,000	Bank of America, N.A.	05/01/28	40,447,123	0
Series 2011A-1[(1)]	34,440,000	Bank of America, N.A.	02/08/27	34,824,973	0
Series 2011A-2[(1)]	22,960,000	Bank of America, N.A.	02/08/27	23,216,649	0
Series 2025A[(1)]	125,000,000	Sumitomo Mitsui Banking Corp.	07/25/29	127,054,795	0
TOTAL	$ 296,900,000				$ 0

(1) Each of the Prior Reimbursement Agreements for the Series 2011A-1 and Series 2011A-2 Bonds (the "**Series 2011A Bonds**") were entered into as of February 1, 2024, and effective February 8, 2024. The Series 2011A Bonds and the Series 2025A Bonds are also payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations as described further below.

Source: The District.

- Series 2011A-1 Bonds. In 2011, the District issued $60,545,000 aggregate principal amount of Series 2011A-1 Bonds. The Series 2011A-1 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $34,440,000 and mature in 2037. In addition to: (i) *ad valorem* assessments on taxable land in certain Improvement Districts levied pursuant to the Act; (ii) water or sewer charges, as applicable, which in the discretion of the Board of Directors of the District are fixed and collected in such Improvement Districts in lieu of *ad valorem* assessments pursuant to the Act; and (iii) proceeds from the sale of property in such Improvement Districts for the enforcement of delinquent assessments pursuant to the Act (collectively, "**Assessment Proceeds**"), the Series 2011A-1 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

- Series 2011A-2 Bonds. In 2011, the District issued $40,370,000 aggregate principal amount of Series 2011A-2 Bonds. The Series 2011A-2 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $22,960,000 and mature in 2037. In addition to Assessment Proceeds, the Series 2011A-2 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

The 2011A-1 Bonds and the 2011A-2 Bonds are currently in a daily rate mode and are supported by separate Prior Reimbursement Agreements, as described in Table 4 above.

- 2016 Installment Sale Agreement. In 2016, the District entered into an Installment Sale Agreement (the "**2016 Installment Sale Agreement**") in connection with the execution and delivery of the District's $116,745,000 aggregate principal amount of Certificates of Participation Irvine Ranch Water District Series 2016. The 2016 Installment Sale Agreement was outstanding as of December 31, 2025 in the aggregate principal amount of $96,935,000 and matures in 2046. The District's obligation to make installment payments pursuant to the 2016 Installment Sale Agreement is payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. As described further in the forepart of this Official Statement under the caption "FINANCING PLAN—Other District Obligations," a portion of the proceeds of the 2026 Certificates are expected to be used to refund the 2016 Installment Sale Agreement.

- Series 2016 Bonds. In 2016, the District issued $103,400,000 aggregate principal amount of Series 2016 Bonds. The Series 2016 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $94,110,000 and mature in 2046. In addition to Assessment Proceeds, the Series 2016 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. As described further in the forepart of this Official Statement under the caption "FINANCING PLAN—Other District

Obligations," a portion of the proceeds of the Series 2026B Bonds are expected to be used to refund the 2016 Bonds.

- Series 2025A Bonds. In 2025, the District issued $125,000,000 aggregate principal amount of Series 2025A Bonds. The Series 2025A Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $125,000,000 and mature in 2040. In addition to Assessment Proceeds, the Series 2025A Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. The 2025A Bonds are currently in a weekly rate mode and are supported by a Prior Reimbursement Agreement, as described in Table 4 above.

- Series 2025B Bonds. In 2025, the District issued $57,890,000 aggregate principal amount of Series 2025B Bonds. The Series 2025B Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $57,890,000 and mature in 2040. In addition to Assessment Proceeds, the Series 2025B Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

Future Indebtedness. The District currently anticipates issuing additional bonds in the estimated principal amount of $400 million in Fiscal Year 2029, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no assurance as to the ultimate timing or principal amount of such bonds. Proceeds from such bonds are expected to be used to finance various capital projects throughout the District. Given the uncertainties associated with the timing of and repayment source for such proposed bonds, the projected operating results set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" do *not* reflect any projected debt service on such bonds in Fiscal Year 2029 or 2030.

Subordinate Debt.

- Interest Rate Swap Transactions. As of December 31, 2025, the District was also obligated under two interest rate swap transactions with a total notional amount of $60 million and termination dates in March 2029, pursuant to which the District is entitled to receive variable rate payments based on a floating rate index (the one-month Secured Overnight Financing Rate, plus a spread) in return for the District's obligation to make payments at a fixed interest rate of 5.687%, determined by reference to the outstanding notional amount (the "**Swaps**").

The Swaps are evenly distributed, as to notional amount on a particular payment date, between two swap counterparties – Bank of America, N.A. ("**BANA**") and Citibank, N.A. ("**Citibank**"). For additional information with respect to the payment terms and other information relating to the Swaps, see Note 3 to the District's audited financial statements attached to the Official Statement as Appendix B. Regularly-scheduled and early termination payments with respect to the Swaps constitute unsecured general obligations of the District payable from legally available funds. The Swaps are payable from certain Revenues on a subordinate basis to the District's obligation to pay the Series 2026A Bonds and debt service on other Parity Obligations. In addition, any amounts received by the District pursuant to the Swaps constitute Revenues and, as such, are pledged to the payment of the Series 2026A Bonds and other Parity Obligations. Based on the structure and financial terms of each Swap, the mark-to-market value of the Swaps will not exceed a collateral threshold amount of $15,000,000; accordingly, the District does not expect to post collateral with respect to the Swaps in the future.

The above-described interest rate swap transactions entail risk to the District. For example, there is no guarantee that the floating rate payable to the District pursuant to a Swap will match the variable interest rate on the related Parity Obligations at all times or at any time. Under certain circumstances, a Swap counterparty may be obligated to make a payment to the District under a Swap that is less than the interest due on the related Parity Obligations. In such event, the District would be obligated to pay such insufficiency from Revenues. This has occurred on certain occasions.

In addition, the Swap counterparties may fail or be unable to perform, actual interest rates may vary from assumptions or the District could be required to make a net payment (on a subordinate basis to the Series 2026A Bonds) to a Swap counterparty in the event of an early termination of one or more Swaps. The early termination of a Swap may not affect the obligations of the counterparty with respect to the other Swap. The District cannot predict if any of the foregoing events will occur with respect to one or more of the Swaps. The District may also elect from time to time to enter into additional interest rate swap agreements with security and payment provisions determined by the District, and the risks described in this paragraph could also apply to such additional interest rate swap agreements. However, the District does not anticipate that any such event would have a material adverse effect on the District's ability to pay the principal of and interest on the Series 2026A Bonds.

In connection with the Swaps, the District has entered into certain protocols, including amendments or supplements to the Swaps, to comply with ISDA's Dodd-Frank Documentation Initiative and other requirements, including responses to regulatory requirements binding others, imposed under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

- Santiago County Water District Consolidation. The District and Santiago County Water District ("**SCWD**") consolidated effective July 1, 2006. As successor to SCWD, the District was obligated to satisfy the following obligations: (i) a fiscal services agreement with the State of California Department of Water Resources, with a final payment made in 2025; and (ii) a promissory note payable to Foothill/Eastern Transportation Corridor Agency with a remaining balance of approximately $368,482 as of December 31, 2025, which was completely paid off as of May 2026.

Variable Rate Debt Management

The Board of Directors of the District has adopted a policy to maintain a target amount of investment assets equal to 75% or more of the District's outstanding unhedged variable rate indebtedness. No assurance can be made that the Board of Directors of the District will not modify such policy in the future.

Current Investments

As of December 31, 2025, the District had investments (excluding the real estate investments that are described below) with a market value of approximately $394.5 million as follows:

TABLE 5
IRVINE RANCH WATER DISTRICT
Summary of Investments[(1)]

Investment Type	*Approximate Investment Amount in Millions*	*Percentage of Total Investments*
Federal Agency Securities	$ 29.1	7.4%
Treasury Equivalent – Money Market	2.6	0.7
Local Agency Investment Fund	53.6	13.6
United States Treasury Securities	309.2	78.4
Total	$394.5	100.0%

(1) Reflects market values as of December 31, 2025. Rounded. Excludes real estate investments that are described below.
Source: The District.

In addition to the moneys invested as described in Table 5 above, the District has invested approximately $106.1 million of its capital facilities replacement fund in real property. The District's current real property investments include a limited partnership interest in a 230-unit apartment complex (the Wood Canyon Villas Apartments), ownership of a 450-unit apartment complex (the Sycamore Canyon Apartments) and four

commercial office buildings (the Irvine Market Place, the Waterworks Business Park, the Sand Canyon Professional Center and the Sand Canyon General Office). The Sand Canyon General Office building was completed in August 2020 and was fully leased in 2022. The District's real estate investments are income-producing properties and the earnings and projected earnings for all properties are reflected in Tables 6 and 7, respectively, below.

Under current accounting rules, real estate investments are shown at fair market value. The total fair market value of the above-described assets as of June 30, 2025 was approximately $336.5 million.

Historic Net Real Estate Income

The following table shows the net real estate income after expenses of the District for the five most recent Fiscal Years.

TABLE 6
IRVINE RANCH WATER DISTRICT
Historic Net Real Estate Income
(in Thousands)

Fiscal Year	*Net Real Estate Income*
2021	$ 9,822
2022	9,756
2023	11,398
2024	12,610
2025	13,821

Source: The District.

Projected Net Real Estate Income

The following table projects the net real estate income after expenses of the District for the current and next four Fiscal Years.

TABLE 7
IRVINE RANCH WATER DISTRICT
Projected Net Real Estate Income
(in Thousands)

Fiscal Year	*Net Income*[(1)]
2026	$13,000
2027	13,400
2028	13,802
2029	14,216
2030	14,643

(1) Based on existing and expected leases. See the caption "—Current Investments."
Source: The District.

1% Property Tax Revenues

Pursuant to the Act, the Board of Supervisors of the County is required to levy a "general assessment" on assessable property within the boundaries of the District that is sufficient to raise the amounts determined each year by the District's Board of Directors to be necessary for the authorized purposes of the District. These

provisions, however, have largely been superseded by the passage by the California electorate in June of 1978 of Article XIIIA of the California Constitution (commonly known as "Proposition 13"), and by the legislation subsequently enacted by the California Legislature to implement Article XIIIA. As a result of Article XIIIA and its implementing legislation, the District receives as proceeds of the "general assessment" a share of the one percent *ad valorem* property tax collected by the County from assessable property within the boundaries of the District (the "**1% Property Tax Revenues**").

From time to time legislation has been considered as part of the State budget to shift 1% Property Tax Revenues collected by each county from local agencies, including special districts such as the District, to school districts or other governmental entities. However, Proposition 1A ("**Proposition 1A**"), which was approved by the voters in November 2004, restricted State authority to reduce major local tax revenues. In addition, on November 2, 2010, California voters approved Proposition 22 ("**Proposition 22**"), the provisions of which superseded many of the provisions of Proposition 1A. Proposition 22: (i) prohibits the State from shifting or delaying the distribution of funds from special districts to schools and community colleges; (ii) eliminates the authority to shift property taxes temporarily during a severe financial hardship of the State; and (iii) restricts the State's authority to use fuel tax revenues to pay debt service on transportation bonds, to borrow or change the distribution of fuel tax revenues or to use Vehicle License Fee revenues to reimburse local governments for state-mandated costs.

A portion of the District's 1% Property Tax Revenues was previously subject to borrowing by the State under Proposition 1A. Despite the passage of Proposition 22, there can be no assurance that the 1% Property Tax Revenues which the District currently expects to receive will not be temporarily shifted from the District in future fiscal years or reduced pursuant to State legislation enacted in the future. If the property tax formula is permanently changed in the future, it could have a material adverse effect on the receipt of 1% Property Tax Revenues by the District. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS—Pledge of Assessment Proceeds and Revenues" for a discussion of the extent to which 1% Property Tax Revenues are available to pay principal of and interest on the Series 2026A Bonds.

The table below sets forth the amount of 1% Property Tax Revenues received by the District for the five most recent Fiscal Years.

TABLE 8
IRVINE RANCH WATER DISTRICT
1% Property Tax Revenues
(in Thousands)

Fiscal Year	*1% Property Tax Revenues*
2021	$48,032
2022	50,898
2023	54,472
2024	57,585
2025	60,411

Source: The District.

Alternative Method of Tax Apportionment – "Teeter Plan"

The Board of Supervisors of Orange County (the "**County**") has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 *et seq*. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property assessments on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the assessment-levying or assessment-collecting agency.

The Teeter Plan for the County is applicable to all assessment levies for which the County acts as the assessment-levying or assessment-collecting agency, or for which the treasury of the County is the legal depository of assessment collections.

The *ad valorem* property assessments to be levied by the District will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property assessment levied on secured property to pay the Ad Valorem Assessment Bonds irrespective of actual delinquencies in the collection of the assessment by the County so long as the Teeter Plan remains in effect. The District's share of 1% Property Tax Revenues and revenues from a small number of accounts located in Newport Beach for which the District provides only sewer service (as discussed under the caption "—Time and Manner of Payments for Service Charges") are also subject to the Teeter Plan.

The Teeter Plan is to remain in effect for the County unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors of the County receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event that the Board of Supervisors of the County discontinues the Teeter Plan for the County, only those secured property assessments that are actually collected would be allocated to political subdivisions (including the District) for which the County acts as the assessment-levying or assessment-collecting agency.

Governmental Regulations

The District's operations are subject to numerous environmental regulations enforced by multiple governmental entities. Programs are in place for compliance with drinking water regulations, water discharge regulations, underground and aboveground fuel storage tank regulations, hazardous materials management plans, hazardous waste regulations, air quality permitting requirements, wastewater discharge limitations and employee safety issues relating to hazardous materials and other conditions. Also, the District aggressively pursues the investigation and, when appropriate, the implementation of alternative methods and technologies for meeting increasingly strict environmental regulations.

The District expects environmental regulation to increase, resulting in higher capital and operating costs in the future, which may have a material adverse effect on the finances of the District.

Although the District's Board of Directors establishes the schedules of water, sewer and recycled water rates for each Fiscal Year, such rates are subject to the requirements of Proposition 218, which are described further under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."

Climate Change and Natural Disasters

Climate Change. The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas ("**GHG**") emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels.

As a recognized industry leader with a history of implementing innovative and cutting-edge practices and cost-effective programs, the District developed an Energy and GHG Master Plan in 2012 to improve, optimize and reduce its energy consumption and GHG emissions. The plan identified cost-effective capital projects to reduce the District's existing and future energy usage, costs and, as required under future regulatory conditions, the District's GHG emissions. The District is currently developing a Climate Adaptation and Energy Management Plan that will identify additional cost-effective projects and programs that can help reduce GHG emissions through increased energy efficiency. This plan will also take into consideration potential operational changes and mitigation strategies that may be needed in response to projected climate impacts and associated

vulnerabilities to the District's facilities and water supply reliability. This plan is expected to be complete by the end of 2026.

In 2021, *The Climate Registry*, which oversees North America's largest voluntary greenhouse gas registry, empowering organizations and public agencies to act on climate change by reducing their carbon emissions, honored the District with gold-level status for demonstrating exceptional leadership in meeting rigorous voluntary greenhouse gas reporting criteria. The District is in process of completing its 2024 and 2025 GHG inventories, which will be undergoing third party verification. Upon verification, the inventories will be submitted to *The Climate Registry*.

Natural Disasters. The property within the District, like all California communities, may be subject to unpredictable seismic activity, wildfires, droughts, high winds, landslides, floods or other natural disasters. Southern California is a seismically active area. Seismic activity represents potential risk for damage to buildings, roads, bridges and property within the District in the event of an earthquake, including the Water System and the Sewer System. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In recent years, wildfires have caused extensive damage throughout the State, including within the County. In some cases, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The California Department of Forestry and Fire Protection ("**Cal Fire**") periodically prepares maps which evaluate fire hazard, which is defined as the likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire or fuel reduction efforts, as opposed to risk, which is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction. In March 2025, Cal Fire released an updated Fire Hazard Severity Zone map for the Southern California region and portions of the District's service area are located within areas classified as "Moderate," "High" or "Very High" Fire Hazard Severity Zones by Cal Fire. The District's Climate Adaptation and Energy Management Plan will include an assessment of wildfire related vulnerabilities to District facilities.

In the event of a severe earthquake, wildfire, drought, windstorm, landslide, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District, including to the Water System or the Sewer System. As a result of such damage or destruction, property owners may be unable or unwilling to pay their property taxes when due, including the *ad valorem* assessments levied by the District to pay debt service on the Series 2026A Bonds and the other Ad Valorem Assessment Bonds of the District. Such damage may also result in a reduction in Net Revenues available to pay debt service on the Series 2026A Bonds.

In January 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "**Governor's Order**) which canceled penalties, costs and interest on overdue property taxes within certain zip codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of property taxes by property owners in areas affected by Governor's Order. Unless property owners within the affected areas pay their property taxes voluntarily or have mortgage impound accounts, it is possible bonds payable from property taxes in such areas will experience a need to draw on reserve accounts or a payment default. In the event of a major fire or other natural disaster affecting the property within the District, a similar order affecting the property within the District could impact the collection of the *ad valorem* assessments levied by the District to pay debt service on the Series 2026A Bonds and the other Ad Valorem Assessment Bonds of the District.

WATER SUPPLY

The District was formed in 1961 for the purpose of obtaining a water supply for municipal and irrigation uses. For the twelve-month fiscal year period that ended June 30, 2025, of the water supplied by the District, approximately 21% was imported water, approximately 51% was groundwater as well as native water and approximately 28% was recycled water. The District notes that recycled water sales are not subject to the drought conservation regulations that have been released by the State in recent years, as discussed under the caption "—Water Use Efficiency," or any voluntary conservation measures.

The District operates a number of wells and reservoirs that produce or store local water for both potable and nonpotable uses. Surface storage includes Irvine Lake, a 25,000 acre-foot reservoir that is owned by the District and is impounded by Santiago Creek Dam. In January 2025, Serrano Water District ("**SWD**") transferred its 25% ownership in Irvine Lake to the District and Irvine Lake is now entirely owned by the District. As part of the transaction, SWD also transferred, to the District, SWD's ownership of the Walter E. Howiler, Jr. Water Filtration Plant ("**Howiler Plant**"). The Howiler Plant was used by SWD to treat Irvine Lake water for delivery as potable supply. SWD transferred these assets to the District to avoid approximately $120 million in capital costs of the planned improvements to Santiago Creek Dam and related facilities that are described below. In exchange for the transfer, the District has committed to help SWD maintain water supply reliability by providing SWD access to treated water from the District's supply. The District is currently designing an interconnecting pipeline from the District's potable system to the Howiler Plant that will allow the District to serve potable water from the Howiler Plant into the District's service area. This project is anticipated to be completed in Fall 2027.

Irvine Lake receives native water from the Santiago Creek watershed and is also used to store imported untreated water from the Metropolitan Water District of Southern California ("**MWD**"). The District treats the native water at the Baker Water Treatment Plant ("**Baker WTP**") and now the Howiler Plant to help meet potable water demands of the District and Baker WTP partner districts. Such water is also used for agricultural and other irrigation purposes and supplements the recycled water system during peak demand periods. See the caption "THE WATER SYSTEM—General" for a discussion of the use of Irvine Lake water at the Baker WTP under certain circumstances.

The Santiago Creek Dam outlet tower and spillway have reached the end of their useful lives. The embankment dam is also in need of improvement. The District is currently undertaking an approximately $470,000,000 project to replace the outlet tower and spillway and to make embankment improvements. See the captions "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—*Future Indebtedness*" and "FUTURE CAPITAL IMPROVEMENTS."

In addition, the District has a total of approximately 4,200 acre feet of recycled water storage capacity in its Sand Canyon, Rattlesnake, San Joaquin and Syphon Reservoirs and is currently evaluating additional recycled water storage projects. See the caption "THE WATER SYSTEM—General" for a discussion of the possible expansion of the Syphon Reservoir.

Imported Water

In Fiscal Year 2025, the District purchased 18,768 acre feet of water imported from the Colorado River and northern California by MWD. MWD supplies water through its member agencies, including the member agency in which the District is situated, Municipal Water District of Orange County ("**MWDOC**"). The cost of treated and untreated imported water from MWDOC as of January 1, 2026 is $1,528 per acre foot and $984 per acre foot, respectively. In addition, the District currently pays a fixed charge to MWDOC in the form of readiness to serve, capacity reservation and service connection charges. The readiness to serve and capacity reservation charges are paid monthly and, as of January 1, 2026, total $260,704 per month, while the service connection charge is paid annually and, for Fiscal Year 2025, was $1,837,257.

MWD faces various challenges in the continued supply of imported water to MWDOC. A description of these challenges as well as a variety of other operating information with respect to MWD is included in certain disclosure documents prepared by MWD. MWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. MWD has also entered into certain continuing disclosure agreements pursuant to which MWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"). Such official statements, other disclosure documents, annual reports and notices (collectively, the "**MWD Information**") are filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("**EMMA**") at http://emma.msrb.org. The MWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. MWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE MWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

MWD HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO MWD. MWD IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS UNDER RULE 15c2-12.

Groundwater

General. One of the goals of the District's Water Resources Master Plan is to identify a reliable water supply mix, which includes developing sufficient groundwater production capacity to pump up to the District's basin production percentage (the "**BPP**") set by the Orange County Water District ("**OCWD**"), the agency responsible for managing the Orange County groundwater basin, to produce other local groundwater and to have sufficient capacity to meet demands during supply interruptions. District groundwater pumping is affected by policies of OCWD, including the setting of: (i) replenishment assessments; (ii) a BPP; and (iii) basin equity assessments, each of which is described below.

Replenishment Assessments. OCWD establishes and collects replenishment assessments as a means of purchasing water and funding projects for the purpose of replenishing the Orange County groundwater basin. The replenishment assessment is established annually by OCWD and applies to every acre foot of groundwater produced from the basin.

Basin Production Percentage. In addition, each year, OCWD sets the BPP for water to be extracted from the Orange County groundwater basin. The BPP is the amount of groundwater, as a percentage of the total water demands of a groundwater pumping agency such as the District, that can be pumped from the Orange County groundwater basin from within the OCWD jurisdictional boundary during the year by the groundwater pumping agency without incurring the additional assessment described below. The amount of groundwater that an agency can pump without incurring the additional assessment is calculated by multiplying the total water use of such agency by the BPP (the "**BPP formula**"). Between Fiscal Years 2012 and 2023, the BPP varied from 62% to 85%. The OCWD board of directors set the BPP at 85% for Fiscal Years 2024 and 2025 and has set the BPP at 85% for Fiscal Year 2026.

OCWD calculates total water use for the purpose of the BPP without considering recycled water sales to customers. This methodology reduces the amount of groundwater that recycled water sellers such as the District may pump from the Orange County groundwater basin within the OCWD jurisdictional boundary without incurring additional assessments.

Basin Equity Assessment. The additional assessment incurred by an agency that pumps non-exempt groundwater above the limit established by the BPP formula is called the basin equity assessment (the "**BEA**"). The BEA is established annually by OCWD for every acre foot of groundwater produced from the Orange County groundwater basin above the BPP formula (with exemptions described further below for pumping that OCWD determines will provide water quality and other benefits) and is intended to increase the cost of producing groundwater in amounts above the BPP formula so that it equals the cost of importing water.

Production Limitation Surcharge. Every year, OCWD sets a Production Limitation on the amount that groundwater producers are allowed to pump from groundwater basin inside the OCWD service area boundary. In Fiscal Years 2023, 2024, 2025 and 2026, OCWD set the Production Limitation to 100%. Each Fiscal Year, OCWD assesses a Surcharge for any water pumped above the Production Limitation. For Fiscal Years 2023, 2024, 2025 and 2026, the Production Limitation Surcharge was set to $2,000 per acre foot. OCWD is expected to set the surcharge to $2,000 per acre foot in Fiscal Year 2027.

Based on OCWD's methodology, the District paid a cash BEA of approximately $1.7 million for Fiscal Year 2016, $1.8 million for Fiscal Year 2017, $2.25 million for Fiscal Year 2019, $2.6 million for Fiscal Year 2020, $4.7 million for Fiscal Year 2021, $3.5 million for Fiscal Year 2022, $4.9 million for Fiscal Year 2023, $1.4 million for Fiscal Year 2024 and $565,000 for Fiscal Year 2025. The District did not pay a BEA for Fiscal Year 2018.

OCWD has sought to enable groundwater producers to derive a larger percentage of their water supplies from local sources in times of statewide drought so that such producers can reduce purchases of imported water at increased rates. For these reasons, OCWD has gradually increased the BPP in recent years. The BPP was set at 70% for Fiscal Year 2023 and has been set at 85% for Fiscal Years 2024, 2025 and 2026. In accordance with the 85% BPP for Fiscal Years 2024 and 2025, the District pumped approximately 43,500 and 42,100 acre feet of water from the Orange County groundwater basin in Fiscal Year 2024 and Fiscal Year 2025, respectively.

The District currently pays OCWD a replenishment assessment of $711 per acre foot for all groundwater pumped and a BEA equal to an additional $697 per acre foot for groundwater pumped in excess of the BPP formula. The District did not pump above Production Limitation in Fiscal Years 2024 and 2025 and therefore was not assessed a Production Limitation Surcharge.

For certain portions of the District's groundwater production, the application of OCWD's BPP and BEA varies from the above general description. The District's Dyer Road Well Field has a production amount established by contract with OCWD as described in the below paragraph. The District also has several projects through which groundwater is produced that are, by contract with OCWD, completely or partially exempt from the BEA. While this "BEA-exempt" groundwater typically requires treatment, the District's cost to produce and treat this groundwater is effectively capped at the cost for imported water. Additionally, as portions of the District currently lie outside of OCWD's jurisdictional boundary, water demands in those areas are not included by OCWD in the accounting of the BPP for the District. Currently, approximately 25% of the District's potable water demand is from outside the OCWD jurisdictional boundary. In 2014, the Orange County Local Agency Formation Commission approved the annexation of approximately 6,482 acres of land within the District into OCWD. The majority of such land is open space and is not expected to be subject to additional water demand at this time.

The BPP formula for the District's Dyer Road Well Field is not adjusted annually by OCWD but is fixed by contract with OCWD at 28,000 acre feet per year of clear groundwater, subject to the requirement that the amount over 20,000 acre feet is matched by an equal amount of groundwater pumped from the District's Deep Aquifer Treatment System (the "**DATS**"), which treats water from a deep aquifer in order to remove organic color. Like OCWD's general BPP, the Dyer Road Well Field's contractually fixed BPP formula discourages, but does not prohibit, production over such amount through the application of the BEA to any excess amount.

As discussed above, effective October 2, 2013, the District entered into an agreement with OCWD pursuant to which approximately 6,482 acres of the District's territory was annexed to OCWD upon the Orange County Local Agency Formation Commission's approval in July 2014. Under the annexation agreement, the District agreed to a specified termination date for its BEA exemption on the DATS, represented that the DATS wells would be used to supply the groundwater used in the annexed territory and agreed that for a period of ten years (i.e., through 2023) from the effective date of the annexation agreement, the District will be deemed subject to a BPP equal to the lesser of OCWD's actual BPP or 70%. The 70% BPP limit on the District has now expired and the District can pump up to the BPP set by OCWD in April of each year. For Fiscal Years 2025 and 2026, the BPP was set by OCWD to 85%. For Fiscal Year 2027, OCWD is expected to set the BPP again to 85%.

The District also produces groundwater from its Irvine Desalter Project, which is described in greater detail under the caption "—Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects." In Fiscal Year 2025, the Irvine Desalter Project provided a combined total potable and non-potable water production of approximately 5,100 acre feet that is exempt from the BPP. In addition, a combined additional approximately 4,600 acre feet per year of production is available from two other wells, the Orange Park Acres well ("**OPA-1**"), Well 2 in Lake Forest, and Well 115 in Irvine. Water from Well 115 is pumped and treated at the Irvine Desalter Project. However, such water is not accounted for as Irvine Desalter Project water because it was not part of the original Irvine Desalter Project. The available capacity of the OPA-1 well recently increased per agreement from 900 acre feet to 3,200 acre feet per year. Production from the OPA-1 well and Well 115 is subject to the BPP and the BEA. The District recently completed construction and startup of the PFAS treatment project for OPA-1 well and has been online since November 2024. Well 2 was offline in Fiscal Year 2023 and 2024 and is exempt from the BPP and the BEA.

In addition, in April 2013, the District completed construction of the Wells 21 and 22 project. The Wells 21 and 22 facility produced approximately 2,746 acre feet and approximately 1,150 acre feet of groundwater in Fiscal Years 2024 and 2025, respectively. These wells are exempt from the BPP and the BEA. The District recently updated the Groundwater Workplan and does not have near-term plans to expand its groundwater production facilities further. The Groundwater Workplan is updated every 2-3 years to determine if additional groundwater wells are needed to accommodate future growth from the Regional Housing Needs Assessment (RHNA) and other infill and redevelopment projects.

Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects. The Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects are groundwater development projects that were constructed by the District in cooperation with OCWD, the United States Departments of the Navy and Justice, MWD and MWDOC. The two projects commenced operations in early 2007.

The Irvine Desalter Potable Water Project consists of a potable water wellfield, pipelines and a purification plant. This project treats local groundwater to remove salts and nitrates caused by the natural geology and past agricultural use. The water is treated to drinking water standards through reverse osmosis and disinfection. The Irvine Desalter Potable Water Project was originally anticipated to pump approximately 5,100 acre feet of groundwater per year. However, actual pumping may vary each year based on operational conditions. In Fiscal Years 2024 and 2025, the Irvine Desalter Potable Water Project produced approximately 2,636 acre feet and 2,050 acre feet of potable groundwater, respectively.

The El Toro Groundwater Remediation Project is treating a plume of contaminated groundwater from the main aquifer of the Irvine sub-basin of the Orange County groundwater basin. The plume originated from the former El Toro Marine Corps Air Station (the "**MCAS**"). The El Toro Groundwater Remediation Project consists of a treatment system that removes volatile organic compounds which are present in the groundwater as a result of the previous use of solvent degreasers at the MCAS. The treatment plant removes contaminants from the groundwater using an air stripper and granular activated carbon absorption units. The treated water is used in the District's recycled water system and is designed to supply 3,400 acre feet of non-potable groundwater per year. Treatment at one of the El Toro Groundwater treatment plants is being expanded for treatment of PFAS and is expected to be complete by June 30, 2026. In Fiscal Years 2024 and 2025, the El Toro Groundwater

Remediation Project produced approximately 2,256 acre feet and 3,050 acre feet , respectively, from non-potable wells. The United States Department of the Navy is compensating the District for this component of the project as part of the Settlement Agreement for Groundwater Remediation of the MCAS. The District expects that such compensation will cover the project costs until the plume of contaminated groundwater is cleaned up.

In addition to the two components described above, the Department of the Navy operates a number of wells on the former MCAS property. These wells pump contaminated groundwater from shallow basins located below the former base. Such water is treated by a treatment plant owned and operated by the District using an air stripper and granular activated carbon absorption units. These wells and the treatment plant, which are referred to as the Shallow Groundwater Unit (the "**SGU**"), are designed to treat approximately 640 acre feet per year of contaminated groundwater. The treated SGU water is disposed of via an existing ocean outfall. Treatment at the SGU treatment plant is being expanded for treatment of PFAS and is expected to be complete by June 30, 2026. In Fiscal Years 2024 and 2025, the SGU treated approximately 0 acre feet and 77 acre feet, respectively, of water.

Historic Groundwater Supply. Set forth below is a summary of the District's sources of groundwater supply in acre feet per year for the last five Fiscal Years.

TABLE 9
IRVINE RANCH WATER DISTRICT
Historic Groundwater Supply In Acre Feet Per Year

Fiscal Year	*Dyer Road Well Field*	*Deep Aquifer Treatment System*	*Irvine Desalter Project*[(1)]	*Irvine Sub-basin*	*Other*[(2)]	*Total*
2021	28,242	8,266	6,549	2,223	1,280	46,559
2022	26,451	6,492	7,574	2,400	1,607	44,524
2023	27,219	8,174	6,386	1,158	553	43,490
2024	27,711	8,101	4,939	2,747	1	43,498
2025	25,806	8,141	5,825	1,146	935	41,847

(1) Excludes water pumped from the SGU. Includes Well 115 and non-potable water (Wells ET-1, 2 and 78) used in the District's recycled water system.

(2) Includes Well 2 in Lake Forest, Wells 72, and 106 and In-Lieu water, which is imported water purchased at the request of OCWD. The In-Lieu program preserves and promotes groundwater basin levels, and the District generally responds affirmatively to In-Lieu program requests. Also includes the OPA-1 well. See the captions "—Groundwater—General" and "—Water Supply Reliability." The OPA Well is back online after being out of service since 2019 as a result of PFAS contamination. See the subcaption "—PFAS" below.

Source: The District.

OCWD. OCWD faces various challenges in managing the Orange County groundwater basin. A description of these challenges, as well as a variety of other operating information with respect to OCWD, is included in certain disclosure documents prepared by OCWD. OCWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OCWD has also entered into certain continuing disclosure agreements pursuant to which OCWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports and notices (collectively, the "**OCWD Information**") are filed with EMMA at http://emma.msrb.org. The OCWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OCWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE OCWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

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Sustainable Groundwater Management Act. On September 16, 2014, the California Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or "**SGMA**") into law. SGMA constitutes a legislative effort to regulate groundwater on a statewide basis. Pursuant to SGMA, the California Department of Water Resources ("**DWR**") has designated the Orange County groundwater basin as a medium priority basin for purposes of groundwater management. Compliance with SGMA can be achieved in one of two ways:

(1) By January 31, 2017, local groundwater producers had to establish or designate an entity (referred to as a groundwater sustainability agency, or "**GSA**"), subject to DWR's approval, to manage each high and medium priority groundwater basin. Each GSA was tasked with submitting a groundwater sustainability plan for DWR's approval by January 31, 2020.

(2) Alternatively, an existing groundwater management agency can submit a groundwater management plan under Part 2.75 of the California Water Code (an "**Alternative Plan**") or an analysis for DWR's review demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years. Such Alternative Plans were required to be submitted by January 31, 2017 and must be updated every five years thereafter. As discussed below, the District's Alternative Plan update was submitted to DWR in December 2021.

If local groundwater producers do not create or nominate an entity to serve as a GSA, SGMA authorizes DWR to assume management of a groundwater basin until such time as a GSA can perform such functions.

GSAs must consider the interests of all groundwater users in the basin and may require registration of groundwater users, the installation of flow meters to measure groundwater extractions and annual reporting of extractions. In addition, GSAs are authorized to impose spacing requirements on new wells, monitor, regulate and limit or condition groundwater production and establish production allocations among groundwater producers, among other powers. GSAs are authorized to impose fees to fund such activities and to fine or issue cease and desist orders against producers that violate the GSA's regulations. A local agency that manages groundwater pursuant to its principal act (such as OCWD) may not exercise such authority in a manner that is inconsistent with any prohibitions or limitations in its principal act unless the governing board of such local agency makes a finding that such local agency is unable to sustainably manage the groundwater basin without the prohibited authority. Groundwater sustainability plans must include sustainability goals and a plan to implement such goals within 20 years.

SGMA specifically allows OCWD, which manages the Orange County groundwater basin, to develop an Alternative Plan under Part 2.75 of the California Water Code to manage those portions of the basin that are within OCWD's boundaries. See the caption "—Groundwater—General." In order for OCWD to submit an Alternative Plan, the entire groundwater basin (Basin 8-1, as mapped by DWR) must be included. OCWD's service area includes about 89% of the Orange County groundwater basin and is described in the Alternative Plan as the OCWD Management Area ("**MA**"). The remaining fringe areas, which include portions of multiple agencies, were aggregated into the La Habra/Brea MA, the Santa Ana River Canyon MA and the South East MA. The District manages the South East MA and coordinates with OCWD in preparing updates to the Alternative Plan to reflect conditions in the South East MA.

The District's wells within OCWD's jurisdictional boundaries are metered and operated within the management guidelines established by OCWD. The District's wells in the South East MA, when operational, are metered and operated by the District.

The District does not currently expect its groundwater extraction rights or costs in the Orange County groundwater basin to change significantly as a result of the enactment of SGMA, nor does the District expect SGMA to have a material adverse effect on the District's ability to pay principal of and interest on the Series 2026A Bonds from Net Revenues. The District notes that *ad valorem* property assessments constitute an additional source of moneys available to pay the interest on and principal of the Series 2026A Bonds. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS."

The Water Bank (as defined under the caption "—Water Supply Reliability") is located in the Kern County Groundwater Subbasin ("**Kern County Subbasin**") in the vicinity of Bakersfield, California. Some areas of the Kern County Subbasin are critically overdrafted and at risk of negative impacts due to subsidence, changes in water quality, and impacts to shallow wells. On February 20, 2025, the State Water Resources Control Board ("**State Board**") held a probationary hearing regarding SGMA compliance of the Kern County Subbasin. At the hearing, the State Board recognized that local public agencies in the Kern County Subbasin have made significant efforts to form GSAs and in the development of groundwater sustainability plans ("**GSPs**") for the subbasin. The State Board continued the hearing and asked that the GSAs revise their GSPs to rectify deficiencies that will achieve sustainable groundwater management of the subbasin. In December 2025, the State Board determined that a probationary designation was not necessary for the Kern Fan Subbasin and returned oversight of GSP for the Kern County Subbasin to DWR. DWR has not yet published an adequacy determination of the GSP.

There are numerous water banking projects in the Kern County Subbasin, including the Water Bank and the Kern Fan Project, which are described under the caption "—Water Supply Reliability." While the State Board recognizes the importance of water banking operations in sustainably managing water use, the State Board is concerned that fluctuations in groundwater levels as a result of some water banking operations could impact beneficial users of groundwater in close proximity to water banks. The GSAs are working to ensure that sustainable management criteria are established in the GSPs to avoid such impacts. The State Board has also expressed concerns about the in-lieu recovery operations of some of the water banking projects, which may be subject to fees on extractions. The Water Bank does not perform in-lieu recovery operations.

PFAS. Per- and polyfluoroalkyl substances ("**PFAS**") are part of a family of synthetic fluorinated organic chemical compounds. PFAS are water and lipid-resistant substances that are useful for a variety of manufacturing processes and industrial applications. They are often present in water supplies which receive wastewater treatment plant effluent that have connectivity to active or former military installations, especially airbases that use or have used aqueous film-forming foams for firefighting purposes.

PFAS is found in certain groundwater wells in the Orange County groundwater basin and in the District's service area. Some of the District's groundwater wells have detectable levels of PFAS; however, the District is not serving any water above Maximum Contaminant Levels ("**MCLs**") as noted below.

In April 2024, the United States Environmental Protection Agency ("**USEPA**") adopted the Final PFAS National Primary Drinking Water Regulation. Specific MCLs adopted pursuant to the Safe Drinking Water Act are listed as follows for six PFAS compounds:

PFAS Compound	*Final MCL Goal*	*Final MCL (Enforceable Levels)*
PFOA	Zero	4.0 parts per trillion (ppt) (also expressed as ng/L)
PFOS	Zero	4.0 ppt
PFHxS	10 ppt	10 ppt
PFNA	10 ppt	10 ppt
HFPO-DA (commonly known as GenX Chemicals)	10 ppt	10 ppt
Mixtures containing two or more of PFHxS, PFNA, HFPO-DA, and PFBS	1 (unitless) Hazard Index	1 (unitless) Hazard Index

The final USEPA PFAS rule requires:

1. Public water systems must monitor for these PFAS and have three years to complete initial monitoring (by 2027), followed by ongoing compliance monitoring. Water systems must also provide the public with information on the levels of these PFAS in their drinking water beginning in 2027.

2. Public water systems have five years (by 2029) to implement solutions that reduce these PFAS if monitoring shows that drinking water levels exceed these MCLs.

3. Beginning in 2029, public water systems that have PFAS in drinking water which violates one or more of these MCLs must take action to reduce levels of these PFAS in their drinking water and must provide notification to the public of the violation.

On May 14, 2025, the USEPA announced its intention to extend the timelines for public water systems to comply with the MCLs for PFOA and PFOS. The USEPA also announced its intention to rescind the regulations and reconsider the regulatory determinations for PFHxS, PFNA, HFPO-DA and the Hazard Index mixture of these three PFAs plus PFBS to ensure that the determinations and any resulting drinking water regulation follow the legal process laid out in the Safe Drinking Water Act. As of May 2026, the USEPA had not taken any formal action to update the PFAS MCLs or provided any additional information on a timeline to do so.

The available monitoring data suggest that PFAS have been in the Orange County groundwater basin in very low concentrations for many years. Recent technological advances enable the detection of PFAS compounds at extremely low concentrations, and PFAS has been detected in the District's drinking water wells OPA-1, 21, and 110 at levels above adopted (but not yet effective) MCLs for PFOA and PFOS. PFAS have also been found in non-potable groundwater cleanup wells El Toro 1 ("**ET-1**") and the SGU located on MCAS. The District also has significant water supplies which are not impacted by the presence of PFAS.

In response to the discovery of PFAS in its wells, the District has removed wells from service until appropriate treatment is applied. OCWD has undertaken a program to install wellhead treatment facilities at all drinking water wells under its jurisdiction for which PFAS levels exceed regulatory thresholds. OCWD's adopted policy is to pay for the PFAS wellhead treatment systems in full, and to pay for up to 50% of the annual operation and maintenance ("**O&M**") costs of such facilities. The water retailers, including the District, pay for the other 50% of the O&M cost.

The District previously entered into a contract with OCWD for the installation of a wellhead treatment facility for PFAS at the OPA-1 well as that well was removed from service in 2018 due to the presence of PFAS. The OPA-1 Treatment System began operations in the Fall of 2025, and the District is serving treated water from this well to customers. The District is evaluating options to return wells 21 and 110 to service, but no plan or schedule has been adopted yet.

The District has completed construction of treatment systems that remove Trichloroethylene ("**TCE**") and PFAS for well ET-1 and the SGU. The previous treatment systems were only capable of removing TCE. The cost of designing and constructing PFAS treatment facilities for the ET-1 well and the SGU is being covered by a pollution insurance policy that is maintained under a 2001 settlement agreement with the United States Departments of Justice and the Navy for the Marine Corps Air Station at El Toro. The two treatment systems went online in 2025, and all flows from these facilities are treated to remove TCE and PFAS.

The District, together with OCWD and over a dozen other groundwater producers in the Orange County groundwater basin, initiated litigation against certain PFAS manufacturers and users, including 3M Company (f/k/a Minnesota Mining and Manufacturing, Co.) and E.I. DuPont De Nemours and Company (the "**PFAS Lawsuit**"), to recover the costs of designing, constructing and operating and maintaining treatment facilities to address PFAS contamination in the Orange County groundwater basin, and to recover other damages arising out of PFAS contamination in groundwater wells, including the additional costs of importing substitute water. The PFAS Lawsuit is being litigated in the United States District Court for the District of South Carolina, Charleston Division, in the Multi-District Litigation (MDL No. 2:18-mn-2873-RMG) titled *In Re: Aqueous Film-Forming Foams Products Liability Litigation*. The court has ordered a nationwide settlement for PFAS manufacturers DuPont and 3M, who together represent approximately 70% of the PFAS market, as well as for smaller PFAS defendants Tyco and BASF. The settlement is in the nature of a class action, and the potentially available funds available to pay the nationwide class of public water suppliers exceeds $12 billion. Public water suppliers are automatically class members unless they opt out of the class by a given date. As of May 2026, the District is due to receive approximately at least $7.8 million through settlements with 3M, DuPont, and Tyco; approximately $3.3 million has been received to date. Additional recoveries are possible as the case continues. Settlement proceeds will be shared with OCWD pursuant to the contract described above related to PFAS treatment installation and costs. The District also intends to remain in the PFAS Lawsuit against the remaining defendants.

Although the USEPA rules allow up to five years from date of publication for compliance with the MCLs, the District already meets the federal requirements for both monitoring for PFAS in the water system and compliance with all of the MCLs. At this time, the District anticipates continued compliance with all federal and state requirements related to PFAS in drinking water.

The District does not anticipate that implementation of regulations related to PFAS will have a material adverse effect on the operation of the Water System or on the operating costs thereof. The projected operating results which are set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results" do not assume significant increases in water treatment or Water System operating costs to meet current State or federal regulations relating to PFAS.

Water Use Efficiency

State and Federal Orders. Following the 2012-17 statewide drought, legislation known as "Making Conservation a California Way of Life" was enacted in 2018 to strengthen local water supplier water management and water shortage planning efforts. Assembly Bill 1668 and Senate Bill 606 require urban water suppliers to include additional drought planning and projected water shortage information in their Urban Water Management Plans and water shortage contingency plans, which are updated and submitted to DWR every 5 years. In August 2024, the SWRCB adopted the Making Conservation a California Way of Life regulation. The regulation includes performance measures and best management practices aimed at the commercial, industrial and institutional ("**CII**") customer sector and long-term standards for the following: (i) indoor residential water use; (ii) outdoor residential water use; and (iii) CII water use for landscape irrigation.

The California legislature established new indoor water use standards in September 2022. The indoor standards have been defined as 55 gallons per person per day ("**GPCD**") until January 2025, decreasing to 47 GPCD until January 2030 and decreasing further to a final indoor standard of 42 GPCD in January 2030. Standards for outdoor residential water use and CII water use for landscape irrigation are calculated using a

Landscape Efficiency Factor (LEF). The LEF decreases from 0.8 to 0.63 in July 2035 and again in July 2040 to 0.55 for residential landscapes and 0.45 for CII landscapes irrigated with potable water. The LEF for landscapes irrigated with recycled water is 1.0 and does not decrease.

On October 19, 2021, the California Governor declared a statewide drought state of emergency and requested that all water users voluntarily reduce water use by 15%. The declaration encouraged water agencies to draw upon supplies other than groundwater and to implement their water shortage contingency plans at a level that was appropriate to local conditions. The State experienced significant precipitation in the winter and early spring of 2023 and, on March 24, 2023, the statewide drought state of emergency was terminated. While there can be no assurance that subsequent declarations will not impose mandatory water use restrictions should dry conditions persist in future years, the State's approach is consistent with the "Conservation as a Way of Life" regulation that is described above. The approach relies on local planning and recognizes that the impacts of the drought and levels of projected water shortages vary throughout the State and among water suppliers.

In August 2021, the federal government declared a Tier 1 water shortage at Lake Mead, which is a major storage reservoir on the Colorado River. As discussed under the caption "—Imported Water," Colorado River supplies are among the water sources for MWD, which provides water to the District's major imported supplier, MWDOC. The water shortage declaration triggered mandatory cuts in water allocations for water users in Arizona and Nevada, although not for MWD or other users in California. Notwithstanding the foregoing, in December 2021, water users in California (including MWD), Arizona and Nevada agreed to voluntary cuts of 500,000 acre feet of water from the Colorado River in both 2022 and 2023, and MWD agreed to pay up to $20 million to agricultural rightsholders that leave their land fallow. See the caption "—Water Supply Reliability—Other Water Supply Reliability Programs—Palo Verde Irrigation District Land Purchases" for a discussion of District land holdings in areas that are expected to benefit from such payments by MWD.

In August 2022, the federal government declared the Colorado River's first ever Tier 2 water shortage. Additional cuts were imposed on Arizona, Nevada and Mexico, and all seven Colorado River states were asked to develop a joint plan to reduce water use by a further 15%-30%. In April 2023, the United States Department of the Interior released a draft environmental impact statement (the "**EIS**") which proposed three alternatives for reducing Colorado River allocations in the American Southwest, including one alternative that could reduce California's allocation by up to one-fourth. In August 2023, the federal government announced that, as a result of above average precipitation, the Colorado River would operate at a Tier 1 shortage in 2024. In October 2023, the federal government released a revised supplemental EIS as part of a collaborative effort to develop short-term guidelines for Colorado River operations through 2026 that would commit to conserving at least 3 million acre feet of water in the river.

Several reservoir and water management decisional documents and agreements that govern the operation of Colorado River facilities and management of the Colorado River are scheduled to expire at the end of 2026. On January 9, 2026 the Bureau of Reclamation released a draft EIS analyzing post-2026 operational guidelines and strategies. The post-2026 process is a multi-year process that will identify a range of alternatives and determine operations for Lake Powell and Lake Mead and other water management actions for potentially decades into the future. There can be no assurance as to the content or timing of the final EIS, nor can there be any assurance that subsequent declarations with respect to the Colorado River will not require mandatory water cuts to MWD should dry conditions persist in future years.

The District has a long history of implementing cost-effective water efficiency programs and believes that it is well prepared to meet future water efficiency objectives. The District's customers have one of the lowest residential GPCD water usage rates in the State, and a portion of the Net Revenues consist of fixed charges that are payable regardless of the volume of water used. See the caption "THE WATER SYSTEM—Water System Rates and Charges." For these reasons, the District does not believe that the above-described declarations, federal actions or compliance with the above-described water efficiency objectives will affect the District's ability to pay principal and interest on the Series 2026A Bonds from Net Revenues. The District notes

that the Series 2026A Bonds are also secured by a pledge of Assessment Proceeds. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS."

District Response to Shortage. Under the District's water shortage contingency plan (the "**WSCP**"), the District responds to a water shortage in stages based upon six levels of supply cutbacks: Level One (supply reductions of up to 10%), Level Two (supply reductions of up to 20%), Level Three (supply reductions of up to 30%), Level Four (supply reductions of up to 40%), Level Five (supply reductions of up to 50%) and Level Six (supply reductions exceeding 50%). Each shortage level triggers strategic responses that are intended to reduce water use and/or augment supplies during a declared water shortage. At each level of shortage, the WSCP includes a list of voluntary measures, non-rate response measures and potential cost-of-service based rate response strategies. The District can also use its banked groundwater to augment supplies during times of shortage. See the caption "—Water Supply Reliability—Water Banking."

The District's water budget-based rate structure is a cost-of-service based rate structure that provides revenue stability in both non-shortage and water shortage periods. Additionally, it allocates water (and the costs associated with its use) based on the monthly water budget assigned to each customer providing the lowest cost of water for efficient use and higher cost water for uses beyond efficient use. The monthly water budget assigned to each customer provides them with a sufficient amount of water within their budget to cover reasonable and efficient water use. See the caption "THE WATER SYSTEM—Water System Rates and Charges."

If the District experiences a water shortage, it may have lesser or higher water costs than during other periods. The WSCP outlines the strategies that the District can use to reduce water demand to respond to such conditions. Adjustments to customer water budgets are a key response measure in the WSCP that are implemented by equitably reducing water budget allocations based on what is reasonable and efficient water use under the water shortage circumstances applicable to each level. If this strategy or tool is used, any changes in rates would be set using cost-of-service principles and would not exceed the District's cost of providing water service to each customer.

On June 26, 2023, the Board adopted water shortage rates, which constitute another available tool to reduce demand by increasing water rates in the event of a shortage. Actual implementation of water shortage rates from time to time will be at the discretion of the District. Notwithstanding the State and federal orders which are described under the subcaption "—State and Federal Orders," the District is not currently experiencing a water shortage and is not projecting a future shortage even if dry hydrological conditions continue for the next several years.

While continued implementation of the WSCP may result in slightly lower water sales revenues, it is also likely to result in lower operating costs, in particular water purchase costs and energy costs for water deliveries. As discussed under the caption "THE WATER SYSTEM—Water System Rates and Charges," the District's rate structure consists of variable and fixed rate components. Decreased water consumption is largely offset by a decrease in related variable costs, while fixed water charges largely cover the District's fixed operating and maintenance costs. The projected operating results set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results" reflect the implementation of Level One of the WSCP in the current and next four Fiscal Years but do not reflect the implementation of water shortage rates as described above.

If a statewide water shortage should persist, legal issues exist as to whether different California Water Code provisions should be invoked to require reasonable regulations for the allocation of water in times of shortage. Any curtailment pursuant to State orders that is accompanied by an increase in MWD water charges to its member agencies could necessitate an increase in the District's water rates to District customers. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218" for a discussion of certain restrictions on the District's ability to raise water rates.

Water Supply Reliability

Water Banking. In addition to developing its local groundwater and recycled water systems, the District has further diversified its water supply reliability by developing water banking facilities in Kern County, California. These projects are known as the Strand Ranch Integrated Banking Project and the Stockdale Integrated Banking Project (collectively, the "**Water Bank**"), and the Kern Fan Project. The District's Water Bank and the Kern Fan Project are situated on groundwater recharge lands that overlie the regional Kern County groundwater basin.

The purpose of the Water Bank and the Kern Fan Project is to improve the District's water supply reliability by capturing and storing low cost water available during wet hydrologic periods for use during dry periods and supply interruptions. The Water Bank and the Kern Fan Project will enhance the District's ability to respond to drought conditions and potential water supply interruptions and enable it to reduce the cost of water delivered under such conditions.

In August 2025, the District completed an update to its Water Supply Reliability Study that affirmed the need for the District's water banking programs to meet District demands during future droughts and major supply interruptions. Findings of the study include that current demand projections indicate the District has a long-term need to store 115,000 acre feet of water that could be called upon during drought conditions or major supply interruptions. In the event of a major and prolonged supply interruption, such as an earthquake that significantly damages the levees in the Sacramento-San Joaquin Delta, this stored water would be available to fulfill the District's estimated needs for imported water over six years. The study concluded that the District should pursue another 25,000 acre feet of storage capacity through the Kern Fan Project. The study demonstrated the importance of the District continuing development of the Kern Fan Project, and associated conveyance facilities.

The District has entered into agreements for a 30-year water banking partnership with the Rosedale-Rio Bravo Water Storage District ("**Rosedale**") in Kern County. These agreements provide for Rosedale to operate the Water Bank on behalf of the District and permit the District: (i) to store up to 126,000 acre feet of water in the aquifer; (ii) to recharge up to 44,600 acre feet of water per year in the aquifer; and (iii) to recover up to 28,750 acre feet of water per year from the aquifer. The physical capacity of the Water Bank is 76,000 acre feet. The District has a long-term lease with Rosedale for an additional 50,000 acre feet of storage.

The District has constructed 740 acres of recharge ponds and other facilities at the Water Bank that are necessary to divert water from an adjacent canal and into the ponds. Seven groundwater wells that provide the ability to recover water have been constructed on the Strand Ranch property and three additional recovery wells have been constructed and equipped on the Stockdale West property. The District, in partnership with Rosedale and other agencies, has also constructed six additional wells that will increase the ability to recover water from the Water Bank during peak summer demand periods. These additional wells were equipped and completed in 2018.

Groundwater extractions from certain Water Bank wells have been found to contain a synthetic chemical known as 1,2,3-trichloropropane ("**TCP**"), which was formerly used in the manufacture of soil fumigants and other industrial products, in concentrations that exceed the Maximum Contaminant Level established by the State Board. As a result, such groundwater is required to be blended with other sources or treated to remove TCP before it can be delivered via State or federal water conveyance infrastructure or, ultimately, served to retail users.

[In January 2022, the District and Rosedale filed a complaint in the Superior Court of California, County of Kern, against several manufacturers of TCP. The complaint asserts strict liability, nuisance, trespass and negligence claims in connection with the infiltration of TCP into the Water Bank and seeks to recover costs associated with the construction of treatment facilities to remediate the contaminated water. There can be no assurance as to the outcome of the District's claims and the projected operating results which are set forth herein do not assume the award of any damages to the District or Rosedale in connection with the complaint. Currently,

the litigation in pursuit of these claims has been stayed pending the outcome of other similar cases. When the stay expires, the District and Rosedale are expected to pursue an extension of the stay and or other avenues that preserve the ability to pursue recovery of any damages.]

The Kern Fan Groundwater Storage Project (the "**Kern Fan Project**") is a regional water bank being developed in the Kern Fan area of Kern County to capture, recharge and store Article 21 water from the State Water Project and other water supplies during wet hydrologic periods. The project is a joint venture between the District and Rosedale. In April 2020, Rosedale and the District executed a joint exercise of powers agreement (the "**Agreement**") creating the Groundwater Banking Joint Powers Authority (the "**Authority**") to plan, design, construct, operate and implement the Kern Fan Project. The Agreement took effect July 1, 2020. The stored water will be extracted when needed to provide ecosystem, emergency supply and water supply benefits. The District's share of the Kern Fan Project will be used in conjunction with the Water Bank to meet the District's contingency storage needs at build-out. The District believes that, upon completion, the Kern Fan Project, together with the Water Bank, will allow the District to meet this goal.

To date, the Authority has certified a final environmental impact report for the Kern Fan Project and completed state and federal feasibility studies. In 2022, as part of the Kern Fan Project, the Authority purchased two properties totaling 348 acres at a cost of $5,000,000, half of which was contributed by the District. The Authority will complete construction of the recharge and recovery facilities on these lands as Phase 1 of the Kern Fan Project in 2026. In 2026, the Authority anticipates completing the acquisition of an additional 242 acres at a cost of $5,750,000. Through a Special Activities Agreement with Rosedale, the District will have exclusive use of the recharge and recovery facilities that will be constructed on the new 242-acre property. Additionally, the Special Activities Agreement provided for the District to lease 25,000 acre feet of additional storage from Rosedale at a cost of $2.4 million, which aligns with the District's long-term reliability objectives described above.

In October 2023, the Authority executed an agreement with the United States Bureau of Reclamation to receive a grant in the amount of approximately $9 million to fund Phase 1 of the Kern Fan Project. Construction of Phase 1 began in January 2024 and will be completed in 2026. In August 2017, the District and Rosedale jointly submitted a grant application to the California Water Commission (the "**CWC**") for the proposed Kern Fan Project. The application sought Proposition 1 funds available from the CWC through the Water Storage Investment Program (the "**WSIP**"). In July 2018, the CWC conditionally awarded $67.5 million to the Kern Fan Project. Additional WSIP funding has become available, leading to several increases over the past few years. The most recent adjustment was made in July 2025, with the CWC increasing the conditional funding award for the Kern Fan Project to $111.4 million. The CWC funding award will be utilized to fund the next phase of the Kern Fan Project, which includes construction of water conveyance facilities and additional recharge and recovery facilities. The Authority has been conducting value engineering and design tasks regarding the next phase and will finalize a Feasibility Report in Spring 2026. The CWC funding agreement is expected to be executed in early 2028, once the necessary agreements and permits for the next phase of the project are in place and the project is ready to proceed.

The District has secured water from a number of sources for recharge at the Water Bank and the Kern Fan Project. These sources are available as described below.

- Pursuant to the District's agreement with Rosedale, Rosedale has first priority rights to use District facilities to divert and recharge a portion of its entitlement to floodwater flows on the Kern River to District-owned storage ponds for recovery in dry years. The District is entitled, at no cost, to 20% and 50% of all Kern River floodwaters recharged on the Strand Ranch and Stockdale West recharge ponds, respectively.

- The District has also secured access to State Water Project water which can be stored in the Water Bank. Such water is available as a result of the District's acquisition of approximately 883 acres located within the Dudley Ridge Water District ("**Dudley Ridge**"), including the rights to use up to 1,749 acre feet per

year of Table A State Water Project water allocated to Dudley Ridge. Under an existing agreement, Dudley Ridge can store its Table A water in the Water Bank, with half of the water being available for future use in the District's service area. The acquisition also included certain participation rights in the Kern Water Bank that allow the District to store approximately 9,495 acre feet of water.

- In 2011, the District entered into a long-term exchange program (the "**Exchange Program**") with Buena Vista Water Storage District ("**BVWSD**") that allows BVWSD to store water in the Water Bank in exchange for allocating 50% of the stored water to the District. BVWSD is responsible for all costs of delivering water to the Water Bank and the District is responsible for all costs of returning BVWSD its share of the water. The District is entitled to keep an additional 10% of the stored water each calendar year after the fourth calendar year that BVWSD does not call on the return of its share of the water. The District is entitled to 100% of the water if BVWSD does not call for the return of its share of the water by the end of the ninth year.

- In recent years, the District also entered into separate Pilot Exchange Agreements with the Central Coast Water Authority and the Antelope Valley-East Kern Water Agency that provided for such agencies to store portions of their 2012 allocation of State Water Project water at the Water Bank. In 2017, 2019 and 2023, the District executed short-term agreements with the Central Coast Water Authority which provided for the delivery and storage of 3,772 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. In 2019, the District and Antelope Valley-East Kern Water Agency entered into a long-term water exchange program for the delivery and storage of 20,000 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. In 2023, Antelope Valley-East Kern Water Agency delivered 7,072 acre feet of water to the Water Bank.

- In 2024, the District executed an unbalanced exchange agreement with Santa Clara Valley Water District, which will facilitate the delivery of up to 20,000 acre feet of water to the Water Bank with 50% of the water accruing to the benefit of the District. Minor amendments to the agreement were executed in 2026, and Santa Clara Valley Water District is expected to deliver water to the Water Bank in within the next few years.

- In 2026, the District expects to execute an unbalanced exchange agreement with Zone 7 Water Agency, which will facilitate the delivery of up to 15,000 acre-feet to the District's share of the Kern Fan Project, with 50% of the water accruing to the benefit of the District.

The District continually explores other short- and long-term partnerships with other agencies and private landowners to facilitate transactions similar to those which are described above.

The District has entered into a Coordinated Operating, Water Storage, Exchange and Delivery Agreement with MWD that allows the District to have State Water Project water which has been recovered from the Water Bank delivered to the District's service area. In 2014, the District entered into an additional agreement with MWD that allowed MWD to receive 4,000 acre feet of the District's non-State Water Project water recovered from the Water Bank in exchange for a future return to the Water Bank. Under such additional agreement with MWD, the District recovered and delivered approximately 1,000 acre feet from the Water Bank for use in the District's service area in 2015. In addition, in 2022, the District delivered 3,927 acre feet of water to MWD from the Water Bank in exchange for a credit of 7,927 acre feet of water in MWD's southern California storage facilities, which includes a credit for the 4,000 acre feet delivered in 2014.

Since 2010, the District has delivered a total of approximately 116,000 acre feet of water to the Water Bank, after applicable losses, through the water supply partnerships that are described above. The District currently holds approximately 47,000 acre feet of water in storage (after applicable losses) for its future use during droughts and major supply interruptions.

A summary of water held in storage pursuant to the District's water banking program and the District's share of the Kern Fan Project as of December 31, 2025 (after water losses) is set forth below.

TABLE 10
IRVINE RANCH WATER DISTRICT
Summary of Water Banking Programs' Storage After Losses
As of December 31, 2025 (Acre Feet)

Facility	*Total Capacity*	*Total Water in Storage*	*District Share of Total Water in Storage*
The Water Bank[(1)]	76,000	56,450	47,770
Kern Fan Project[(2)]	25,000	0	0
Kern Water Bank[(3)]	9,495	4,812	4,812
Total	110,495	61,262	52,582

(1) The Water Bank includes both the Strand Ranch and Stockdale Integrated Water Banking Projects. The District has executed exchanges with MWD that have diversified the ability to call on the District's share of the banked water from the Water Bank and MWD supplies. The above numbers take into consideration Water Bank losses as well as small purchases of water made by the District when land was taken out of agricultural production. Extractions from Strand Ranch are currently limited to approximately 17,500 acre feet per year. The completion of the Stockdale West property recovery facilities enables the District to recover approximately 11,250 acre feet per year of additional water from the Water Bank. The Total Water in Storage includes a credit owed to the District by Dudley Ridge Water District as a result of a 1-for-1 exchange.

(2) As of May 2026, through a Special Activities Agreement between the District, Rosedale, and the Authority, the District has 25,000 acre feet of storage associated with Phase 1 of the Kern Fan Project. The District anticipates an additional 25,000 acre feet associated with Phase 2 of the Kern Fan Project.

(3) The District's share of total water stored in the Kern Water Bank is to be used on the District's Dudley Ridge property.

Source: The District.

Other Water Supply Reliability Programs.

Palo Verde Irrigation District Land Purchases. The District owns approximately 3,100 acres of irrigated agricultural land (the "**PVID Properties**") in Riverside County, California within the water service area of Palo Verde Irrigation District ("**PVID**"), which has first priority rights on the Colorado River. Approximately 2,835 acres of the land are subject to and enrolled in an MWD/PVID fallowing program under which MWD makes payments to landowners in exchange for letting land lie fallow. See the caption "—Water Use Efficiency—State and Federal Orders" for a discussion of MWD's agreement to pay up to $20 million to agricultural rightsholders (such as the District) in 2022 and 2023 under such a fallowing program. Water that is conserved through fallowing is available for use within MWD's service area (which includes the District's service area). The non-fallowed land is currently being farmed either through leases with tenant farmers or through agricultural management agreements with contract farmers.

In December 2023, the United States Bureau of Reclamation and MWD entered into a System Conservation Implementation Agreement under which the United States Bureau of Reclamation agreed to pay increased fallowing program payments to the District and other PVID landowners for Fiscal Years 2024, 2025 and 2026. In July 2024, the District executed letter agreements with MWD documenting the District's acceptance of the increased fallowing payments.

The District plans to work with MWD and MWDOC in the future to develop mutually beneficial arrangements through which the District would receive increased water supply reliability during periods of drought or supply interruptions in consideration for the water conserved on the PVID Properties.

Due to the preliminary nature of its discussions with MWD and MWDOC, the District can make no assurance as to the amount of water, if any, it would receive from MWD through conservation of water on the PVID Properties. Should the expected water supply reliability benefits of the land not be realized, the District's investment in the PVID Properties could be recovered in whole or in part through the sale of the land.

Sites Reservoir Project. The Sites Reservoir is a proposed reservoir of approximately 1.5 million acre-feet located in Colusa County. In connection with the Sites Reservoir, a joint powers agency, the Sites Project Authority (the "**Sites Authority**") was formed by several local water agencies and counties to pursue the development and construction of the project. The District is a member of the Sites Authority's Reservoir Committee. The Sites Reservoir project is expected to be funded with a combination of direct Federal Funding through Reclamation Water Infrastructure Improvements for the Nation ("**WINN**") Act, State Funding through Water Storage Investment Program ("**WSIP**"), cash calls from participants in the Sites Reservoir project under the Sites Project Agreement (as defined below), direct borrowings by the Sites Authority (including loans through the WIFIA loan program and revenue bonds), and contributions from certain Sites Reservoir project participants that elect not to participate in the Sites Authority's WIFIA loans or other borrowings. The Sites Authority submitted an application to the U.S. Environmental Protection Agency in March 2023 for WIFIA loan funding in an amount up to 49% of the eligible costs (including certain contingencies for inflation and market volatility) of the Sites Reservoir project. The 2023 Sites Plan of Finance update includes WIFIA proceeds up to 49% of the eligible Project costs. The current cost estimate of the Sites Reservoir, which was released in June 2025 was $7.5 billion (in 2024 dollars). Should the District decide to participate in the construction and operation of the Sites Reservoir Project, the District's participation will be on a pay-go basis and the District will not take part in Sites Reservoir project financing.

In 2019, in connection with the planning phase of the Sites Reservoir, the District, along with certain local water agencies and counties located in the State (collectively, the "**Sites Project Agreement Members**"), entered into a project agreement with the Sites Authority (the "**Sites Project Agreement**"). Under the Sites Project Agreement, each Sites Project Agreement Member agreed, among other things, to pay a share of the costs for the activities undertaken pursuant the Sites Project Agreement in proportions corresponding to specific participation percentages applied to each Sites Project Agreement Member. Such participation percentages can be modified if a new Sites Project Agreement Member is added, or a current Sites Project Agreement Member withdraws. The District's current participation percentage is 0.4% based upon the District's current storage allocation.

The District has provided the Sites Reservoir Project with $608,500 in funding since 2020 under the Sites Project Agreement, which will cover the District's cost of participation in the project until the end of 2026. The District Board may decide whether to participate in the construction and operation of the Sites Reservoir Project in fall 2026. If the District decides to participate in the Sites Reservoir Project, the District's share of project costs is expected to be $32 million, subject to changes in the final cost of the Sites Reservoir project. To date, payments on commitments in connection with the Sites Reservoir have been paid by the District from reserves. The District currently expects future payments relating to the Sites Reservoir to be paid from Revenues or District reserves.

Design and construction of the Sites Reservoir is anticipated to take 7 years, and construction of the Sites Reservoir is not expected to be completed until at least 2032. As the project is still in the planning phase, there can be no assurance that projected costs of the Sites Reservoir will not increase because of inflation, revisions to the project, increases in construction or other costs related thereto or otherwise, including the final allocation of costs among the parties. Any changes could be material. In addition, there can be no assurance that the Sites Reservoir, if undertaken, will be completed within the timeframe currently projected. Any such delay in completion could be material. Any costs incurred by the District with respect to the Sites Reservoir are expected to be initially paid from the Revenues during the planning phase of the Sites Reservoir. The District also cannot predict at this time what additional financial commitments to the Sites Reservoir will be made, or whether the District will participate in the remaining planning phase or the construction and operation phases of the project.

The District is currently pursuing additional funding opportunities. See the caption "FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability."

Recycled Water

During Fiscal Year 2025, the District produced 25,583 acre feet of recycled water and supplied an additional 6,467 acre feet of non-potable water to District customers via the recycled water system. The District processes and treats secondary effluent from its customers to produce recycled water for sale to customers for non-potable utilization. Recycled water is currently sold to approximately 6,500 customers within the District. As of June 30, 2025, the District had approximately 589 miles of recycled water mains and recycled water storage capacity of approximately 3,500 acre feet. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

Historic and Projected Water Supply

Set forth below is a summary of the District's sources of total water supply in acre feet per year for the last five Fiscal Years.

TABLE 11
IRVINE RANCH WATER DISTRICT
Historic Water Supply In Acre Feet Per Year[1]

Fiscal Year	*Groundwater*[2]	*Runoff Capture (Irvine Lake)*	*Imported Water*	*Recycled Water*	*Total*
2021	47,170	4,508	17,132	26,413	95,223
2022	44,525	75[3]	24,654	26,444	95,698
2023[4]	43,490	1,044	18,258	23,996	86,788
2024	43,498	6,102[5]	12,679	23,778	86,057
2025	41,848	3,000	18,768	23,633	87,249

(1) Differences between the amounts that are shown in the table and the water sales figures that are set forth under the caption "THE WATER SYSTEM—Historic Water Deliveries/Sales" reflect water losses and the timing of billing.
(2) Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.
(3) Decrease from prior Fiscal Years reflects low precipitation levels in Fiscal Year 2022.
(4) Decrease from prior Fiscal Years reflects reduced sales as a result of increased conservation and high precipitation levels.
(5) Increase in Fiscal Year 2024 reflects high precipitation levels.
Source: The District.

Set forth below is a summary of the District's projection of total water production to meet expected water demand (as discussed under the caption "THE WATER SYSTEM—Projected Water Deliveries") for the current and next four Fiscal Years. The below table reflects projected water production from groundwater extractions, water purchases and recycled water production and does not reflect all available water supplies of the District.

TABLE 12
IRVINE RANCH WATER DISTRICT
Projected Water Supply In Acre Feet Per Year

Fiscal Year	*Groundwater*[1]	*Runoff Capture (Irvine Lake)*	*Imported Water*	*Recycled Water*	*Total*	*Percentage Change*
2026	50,265	3,000	13,493	25,640	92,398	1.38%
2027	51,265	3,000	14,251	25,640	94,156	1.90
2028[2]	51,778	--	14,394	25,896	95,068	(2.22)
2029[2]	52,296	--	14,538	26,155	95,989	(1.00)
2030[2]	52,819	--	14,683	26,417	96,919	(1.00)

(1) Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.
(2) In Fiscal Years 2028 through 2030, Irvine Lake is expected to be drained due to construction.
Source: The District.

Set forth below is a comparison of the District's sources of supply for Fiscal Year 2025 as compared to other neighboring agencies supplying water.

TABLE 13
IRVINE RANCH WATER DISTRICT
Water Supply Comparison by Source

	Imported Water	*Groundwater*	*Runoff Capture (Irvine Lake)*	*Recycled Water*
Irvine Ranch Water District[1]	**21%**	**47%**	**4%**	**28%**
City of Anaheim[2]	71	29	0	0
South Coast Water District[2][3]	73	14	0	13
Moulton Niguel Water District[2][3]	75	0	0	25
Mesa Water District[2]	0	95	0	5

(1) Approximately 20% of the District's water demand is from areas outside of OCWD's jurisdictional boundaries.
(2) Information from the City and Districts' finance documents or website.
(3) This agency is not located within OCWD's jurisdictional boundaries.
Source: The District.

THE WATER SYSTEM

General

Through the issuance of general obligation bonds and other indebtedness, the District has constructed, purchased or acquired capacity in, or connections to, various transmission, pumping, storage and distribution facilities to convey water into the District, including several major facilities built in cooperation with other water districts and cities.

The development of water supplies and the construction and acquisition of facilities are being carried out under a master plan formulated by the District in 1972 and most recently updated in 2009. Existing uses and planned development within the District will necessitate a projected combined total annual water supply of approximately 110,000 acre feet by 2035.

The District anticipates meeting all of its water supply needs using the above-mentioned water importation and storage facilities, groundwater production facilities and recycled water facilities. The combination of the District's facilities and sources of supply is expected to provide the District with a reliable

water supply sufficient to permit the ultimate development as presently planned. Reliability of water supply is further enhanced by the District's local storage facilities, which currently provide more than a seven-day supply.

As of June 30, 2025, the District had approximately 2,805 miles of water mains in its potable and recycled water systems and storage capacity of over 29,000 acre feet, including Irvine Lake, a 25,000 acre feet untreated water reservoir owned by the District, and the District's Sand Canyon, Rattlesnake, Syphon and San Joaquin Reservoirs, which are recycled water reservoirs with approximate capacities of 800 acre feet, 400 acre feet, 450 acre feet and 3,000 acre feet respectively. See the caption "WATER SUPPLY." In January 2025, the District acquired Serrano Water District's 25% remaining share of Irvine Lake adding 6,250 acre feet of storage.

In 2013, the District completed a study of the feasibility of increasing storage capacity in Syphon Reservoir from 450 acre feet up to approximately 5,000 acre feet. In April 2026, the District awarded a construction contract to build this project and anticipates it to be completed in 2031. The project will allow the District to recycle 100% of the sewage flows tributary to the District's Michelson Water Reclamation Plant (the "**MWRP**") and reduce the District's need to supplement the recycled water system with imported water. The final environmental impact report for the expansion was adopted by the Board of Directors on July 26, 2021. See the caption "FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability."

See the caption "WATER SUPPLY—Water Supply Reliability—Water Banking" for information with respect to the District's water banking programs, which constitute additional sources of water that are not reflected in the discussion of the District's storage facilities above.

Currently, the District purchases treated water from MWD for delivery to residential and commercial customers, as well as small amounts of untreated water for delivery to non-domestic customers. Groundwater that is produced from District wells is generally of high quality and is subject to minimal treatment to meet drinking water standards.

The Baker WTP, a water treatment plant which commenced operations in January 2017, treats to drinking water standards approximately 28 million gallons per day ("**mgd**") of untreated imported water purchased from MWD. During emergencies and planned imported water outages, water from Irvine Lake is expected to be supplied to the Baker WTP for treatment to drinking water standards. The Baker WTP utilizes microfiltration and ultraviolet disinfection as the primary treatment processes. Although the plant is owned and operated by the District, approximately 76% of capacity in the Baker WTP is held by other participating water agencies located in southern Orange County. The facility provides an operational source of supply to the District and participating agencies and, in the event of a short-term water shortage emergency, provides regional water reliability to other neighboring water agencies. The project cost was approximately $106 million, which was funded by the District and the other participating water agencies in proportion to their participation in the project. The District financed a portion of its 24% share of the costs from the proceeds of the Series 2016 Bonds that are described under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

Raw (untreated) water, which is treated at the Baker WTP, is available at a lower rate than treated water.

Historic Water Connections

The following table shows the number of water connections in the District for the five most recent Fiscal Years.

TABLE 14
IRVINE RANCH WATER DISTRICT
Historic Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2021	120,437	N/A
2022	122,401	1.63%
2023	123,737	1.09
2024	124,854	0.90
2025	125,977	0.90

(1) Excludes recycled water connections.
Source: The District.

Projected Water Connections

The following table shows the number of water connections projected by the District for the current and next four Fiscal Years.

TABLE 15
IRVINE RANCH WATER DISTRICT
Projected Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2026	127,793	1.44%
2027	129,022	0.96
2028	130,263	0.96
2029	131,516	0.96
2030	132,782	0.96

(1) Excludes recycled water connections. Increases in connections reflect District estimates of increased development activity.
Source: The District.

Connection Fees

The District collects a water connection fee for each new connection to finance District facilities. Connection fees vary by Improvement District and range from $1,424 to $7,442 for each residential unit and $9,554 to $106,073 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as water sources and production facilities, transmission mains, pumping stations, reservoirs and appurtenances and capacity necessary for each Improvement District.

Historic Water Deliveries/Sales

The following table presents a summary of historic water deliveries by the District in acre feet per year for the five most recent Fiscal Years. Historic water deliveries vary from historic water supply as a result of losses in the water system and the timing of billing. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

TABLE 16
IRVINE RANCH WATER DISTRICT
Historic Water Deliveries/Sales in Acre Feet Per Year[(1)]

Fiscal Year	*Potable and Non-Potable System*	*Recycled System*[(2)]	*Total*	*Percentage Change*
2021	54,506	32,595	87,101	N/A
2022[(3)]	53,378	32,402	85,780	(1.52)%
2023[(4)]	49,503	26,541	76,044	(11.35)
2024[(4)]	49,721	26,601	76,322	0.37
2025[(5)]	53,369	30,808	84,177	9.33

(1) Differences between the amounts that are shown in the table and the water production figures that are set forth under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect water losses and the timing of billing.

(2) Recycled water sales in excess of the historic recycled water production amounts set forth in Table 11 under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect supplemental water supplied in excess of recycled water produced by the District.

(3) Reduced deliveries reflect conservation by District customers. See the caption "WATER SUPPLY—Water Use Efficiency—District Response to Shortage." Although recycled water use is not subject to water use restrictions, the decrease in recycled water sales in Fiscal Year 2022 was part of the broader conservation efforts of District customers in response to drought conditions.

(4) Reduced deliveries reflect higher than average levels of precipitation in Fiscal Years 2023 and 2024.

(5) Increase in Fiscal Year 2025 due to average consumption compared to reduced demands in Fiscal Years 2023 and 2024.

Source: The District.

Projected Water Deliveries/Sales

The District estimates that water system deliveries for the current and next four Fiscal Years will be as set forth in the following table. The District currently projects that water deliveries will increase at a slower pace than the increase in connections after the current Fiscal Year, as set forth in the table under the caption "—Projected Water Connections," as a result of increased conservation efforts and a return to long-term historical average hydrological conditions in the State. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

TABLE 17
IRVINE RANCH WATER DISTRICT
Projected Water Deliveries/Sales in Acre Feet Per Year

Fiscal Year	*Potable and Non-Potable System*	*Recycled System*[1]	*Total*	*Percentage Change*
2026	53,538	31,719	85,257	1.27%
2027	54,070	32,195	86,265	1.17
2028	54,178	32,334	86,512	0.29
2029	54,286	32,584	86,870	0.41
2030	54,395	33,317	87,712	0.96

(1) Projected recycled water sales in excess of the projected recycled water production amounts set forth in Table 12 under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect supplemental water projected to be supplied in excess of recycled water produced by the District.

Source: The District.

Historic Water Sales and Service Charge Revenues

The following table shows annual water sales and service charge revenues for the five most recent Fiscal Years. The following table does not include revenues from the sale of recycled water, which is accounted for as part of the District's sewer system.

TABLE 18
IRVINE RANCH WATER DISTRICT
Historic Water Sales and Service Charge Revenues
(In Thousands)

Fiscal Year	*Sales and Service Charge Revenues*[1]	*Percentage Change*
2021	$ 96,609	N/A
2022	103,286	6.91%
2023	103,623	0.33
2024[2]	112,267	8.34
2025[2]	133,770	19.15

(1) Includes late payment charges and other penalty revenues.
(2) Increases in Fiscal Years 2024 and 2025 due to increased rates.

Source: The District.

Projected Water Sales and Service Charge Revenues

The following table projects annual water sales and service charge revenues for the current and next four Fiscal Years

TABLE 19
IRVINE RANCH WATER DISTRICT
Projected Water Sales and Service Charge Revenues
(In Thousands)

Fiscal Year	*Sales and Service Charge Revenues*[(1)]	*Percentage Change*
2026	139,328	4.15%
2027	148,367	6.49
2028	155,785	5.00
2029	163,575	5.00
2030	171,753	5.00

(1) Reflects projected changes in water connections and deliveries described under the captions "—Projected Water Connections" and "—Projected Water Deliveries/Sales," respectively, as well as projected increases in rates described under the caption "—Water System Rates and Charges." Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."

Source: The District.

Largest Water Customers

The following table sets forth the ten largest water customers of the District for Fiscal Year 2025, as determined by annual payments.

TABLE 20
IRVINE RANCH WATER DISTRICT
Ten Largest Water Customers
Fiscal Year 2025

	Customer	*Fiscal Year 2025 Payment*	*Percentage of Total Water Sales Revenues*
1.	The Irvine Company	$ 11,282,860	8.42%
2.	University of California, Irvine	2,219,435	1.66
3.	Jazz Semiconductor	1,836,938	1.37
4.	B Braun Medical, Inc.	1,723,152	1.29
5.	Woodbridge Village Association	857,742	0.64
6.	City of Irvine	511,242	0.38
7.	Irvine Unified School District	503,626	0.38
8.	Foothill Ranch Maint Corp	472,525	0.35
9.	Maruchan, Inc.	456,078	0.34
10.	ERP Operating LP	412,882	0.31
	TOTAL	$ 20,276,482	15.14%

Source: The District.

These ten largest customers accounted for approximately 15.14% of water sales revenues in Fiscal Year 2025.

Water System Rates and Charges

Water system rates and charges (other than connection fees) are generally uniform throughout the District. Pumping surcharges apply in higher elevations. Effective July 1, 2025, the typical monthly service charge for residential water meters is $14.90, which will rise to $15.60 on July 1, 2026. Effective July 1, 2025, the monthly service charges for commercial and industrial water meters range $14.90 to $5,215 based on meter size, which will rise to $15.60 to $5,460 on July 1, 2026. Quantity charges are set according to a water conservation oriented allocation-based ascending block rate structure with rates ranging from $2.07 to $18.60 per 100 cubic feet ("**ccf**"), as shown in the below table.

For the ten Fiscal Years prior to Fiscal Year 2025, the District had increased its water system rates and charges by an average of approximately 5% each year for an average residential customer using approximately 12 ccf of water per month.]

IRVINE RANCH WATER DISTRICT
Residential Water Rates

Tier	*Allocation*	*Rate per ccf (effective July 1, 2025)*	*Rate per ccf (proposed July 1, 2026)*
Low Volume	0-40%	$2.07	$2.18
Base[(2)]	41-100	2.72	$2.92
Inefficient	101-140	7.51	$8.03
Wasteful	141+	18.60	$19.32

The "base" rate reflects an average cost of water from all sources except potable imported water that are used by the District.
Source: The District.

See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218—Article XIIID" for a discussion of a 2015 California Court of Appeal decision with respect to allocation-based rates similar to those of the District. Rates are based on a cost of service study.

The projected water system revenues set forth under the captions "—Projected Water Sales and Service Charge Revenues" and "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" reflect the projected water deliveries that are described under the caption "—Projected Water Deliveries/Sales," water rate increases effective on July 1, 2026 as well as projected water rate increases of 4.0% per annum thereafter which have not yet been adopted. Water rate increases in Fiscal Years 2028 through 2030 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218." There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District's water bill for a typical residential customer as compared to neighboring communities.

TABLE 21
IRVINE RANCH WATER DISTRICT
Typical Residential Customer Water Bills

Water Service Provider	*Charge*[1]
Mesa Water District	$143.88
City of Newport Beach	101.99
City of Tustin	93.45
Santa Margarita Water District	89.88
City of Santa Ana	78.03
City of Orange	72.41
City of Anaheim	71.25
City of Huntington Beach	71.05
Moulton Niguel Water District	56.01
Irvine Ranch Water District[2]	**51.80**

(1) Information is as May 2026. Based on assumed usage of 15 ccf per month.
(2) For the District, the first 6 ccf is billed at the low volume rate of $2.07 and next 9 ccf is billed at $2.72. Excludes *ad valorem* assessments levied by the District.
Source: The District.

THE SEWER SYSTEM

General

The District, following voter approval in 1965, is authorized by law to acquire, construct, operate and furnish facilities and services for the collection, treatment, reclamation and disposal of wastewater, and the District may contract with others for such purposes. The District has an extensive network of gravity sewers, force mains, lift stations and siphons that convey wastewater to two District-owned treatment plants. As of June 30, 2025, the District had approximately 1,536 miles of sewer mains and treatment plant capacity of approximately 33.5 mgd at the MWRP and the Los Alisos Water Recycling Plant ("**LAWRP**"). More than 10.9 billion gallons of wastewater were treated by the District (including wastewater flows sent to Orange County Sanitation District ("**OC San**")) during Fiscal Year 2025.

In 1986, the District cooperated with OC San to form Sanitation District 14 (functionally replaced by "Revenue Area 14" of OC San upon the consolidation of the several sanitation districts comprising OC San's predecessor, the County Sanitation Districts of Orange County, in 1998), which overlays a substantial portion of the District's territory. Under an agreement entered into between the District and OC San in connection with that formation, the District paid approximately $34 million for an approximate 6% interest in OC San's sewage processing facilities (which percentage of interest will vary over time pursuant to a formula set forth in the agreement between OC San and the District). This agreement currently provides for treatment capacity (in addition to the capacity at District-owned facilities (the MWRP and the LAWRP)) of up to 15 mgd. The agreement also provides for the purchase by the District of certain additional capacity in OC San sewage processing facilities determined from annual flows. In Fiscal Years 2024 and 2025, the District utilized approximately 2.8 billion gallons of capacity each year pursuant to its agreement with OC San. In Fiscal Year 2025, approximately 76% of the District's wastewater was treated by the MWRP and LAWRP operated by the District, and approximately 24% was treated by OC San.

OC San faces various challenges in the continued treatment of sewage. A description of these challenges, as well as a variety of other operating information with respect to OC San, is included in certain

disclosure documents prepared by OC San. OC San periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OC San has also entered into certain continuing disclosure agreements pursuant to which OC San is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports and notices (collectively, the "**OC San Information**") are filed with EMMA at http://emma.msrb.org. The OC San Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OC SAN HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE OC SAN INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

OC SAN HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO OC SAN. OC SAN IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS UNDER RULE 15c2-12.

The District treats and recycles wastewater in amounts sufficient to meet recycled water customer demand and fill available capacity in seasonal storage reservoirs for later delivery to recycled water customers. Most of the excess wastewater collected by the District is diverted to OC San for treatment and ultimate disposal into the Pacific Ocean through OC San's two ocean outfall pipelines or recharged into the Orange County groundwater basin through OCWD's Groundwater Replenishment System.

The District has evaluated alternative approaches to handling its biosolids. In 2020, the District began operating the Biosolids and Energy Recovery Facility (the "**Biosolids Facility**") to handle MWRP solids which were previously conveyed to OC San. Operation of the Biosolids Facility enables the District to dewater and beneficially reuse biosolids and reduce conveyances to OC San, in accordance with District goals of undertaking green and sustainable business practices and establishing cost-effective management of sewage services for District customers.

Ultimately, the District plans to expand capacity for its treatment facilities to approximately 40.5 mgd in order to: (i) increase recycled water production and utilization; (ii) decrease exposure to external treatment costs and operational constraints; and (iii) decrease dependence on imported water supplies. The increased capacity will allow the Biosolids Facility to handle solids from the District's MWRP and LAWRP facilities and solids from other potential participating agencies. See the caption "FUTURE CAPITAL IMPROVEMENTS."

Historic Sewer System and Recycled Water Connections

The following table shows the number of sewer and recycled water connections in the District for the five most recent Fiscal Years.

TABLE 22
IRVINE RANCH WATER DISTRICT
Historic Sewer and Recycled Water Connections

Fiscal Year	*Connections*	*Percentage Change*
2021	115,382	N/A
2022	117,334	1.69%
2023	118,766	1.22
2024	119,859	0.92
2025	121,065	1.01

Source: The District.

Projected Sewer and Recycled Water Connections

The following table shows the projected number of sewer and recycled water connections for the current and next four Fiscal Years.

TABLE 23
IRVINE RANCH WATER DISTRICT
Projected Sewer and Recycled Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2026	122,881	1.50%
2027	124,110	1.00
2028	125,351	1.00
2029	126,604	1.00
2030	127,870	1.00

(1) Increases in connections reflect District estimates of development activity.
Source: The District.

Connection Fees

The District collects a sewer connection fee for each new connection to finance District sewer facilities. Connection fees vary by Improvement District and range from $2,732 to $11,938 for each residential unit and $12,883 to $110,647 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as transmission mains, pumping stations, treatment facilities and appurtenances and capacity necessary to serve each Improvement District.

Historic Sewer Daily Average Flow

The following table shows the daily average sewer flow in millions of gallons per day for the five most recent Fiscal Years.

TABLE 24
IRVINE RANCH WATER DISTRICT
Historic Sewer Daily Average Flow

Fiscal Year	*Daily Average Flow (mgd)*[(1)]	*Percentage Change*
2021	29.2	N/A
2022	29.3	0.34%
2023	29.0	(1.02)
2024	30.1	3.79
2025	30.1	0.00

(1) Includes District flow treated by OC San.
Source: The District.

Projected Sewer Daily Average Flow

The following table shows the projected daily average sewer flow in millions of gallons per day for the current and next four Fiscal Years.

TABLE 25
IRVINE RANCH WATER DISTRICT
Projected Sewer Daily Average Flow

Fiscal Year	*Daily Average Flow (mgd)*[(1)]	*Percentage Change*
2026	30.4	1.00%
2027	30.7	1.00
2028	31.0	1.00
2029	31.3	1.00
2030	31.6	1.00

(1) Includes District flow projected to be treated by OC San.
Source: The District.

Historic Recycled Water Sales and Sewer Service Charge Revenues

The following table shows the recycled water sales and sewer service charge revenues for the five most recent Fiscal Years. Increases reflect increases in connections as well as rate increases adopted by the Board of Directors.

TABLE 26
IRVINE RANCH WATER DISTRICT
Historic Recycled Water Sales and Sewer Service Charge Revenues
(In Thousands)

Fiscal Year	*Recycled Water Sales and Sewer Service Charge Revenues*	*Percentage Change*
2021	$ 82,234	N/A
2022	84,955	3.31%
2023	84,693	(0.31)
2024[(1)]	94,386	11.44
2025[(1)]	113,176	19.91

(1) Increases in Fiscal Years 2024 and 2025 due to increases in rates.
Source: The District.

Projected Recycled Water Sales and Sewer Service Charge Revenues

The following table shows the projected recycled water sales and sewer service charge revenues for the current and next four Fiscal Years.

TABLE 27
IRVINE RANCH WATER DISTRICT
Projected Recycled Water Sales and Sewer Service Charge Revenues
(In Thousands)

Fiscal Year	*Recycled Water Sales and Sewer Service Charge Revenues*[(1)]	*Percentage Change*
2026	$ 118,835	5.00%
2027	124,777	5.00
2028	131,015	5.00
2029	137,566	5.00
2030	144,444	5.00

(1) Reflects increases in projected sewer connections and daily average sewer flow described under the captions "—Projected Sewer and Recycled Water Connections" and "—Projected Sewer Daily Average Flow," respectively, as well as adopted and projected increases in recycled water and sewer rates described under the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges." Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."
Source: The District.

Largest Sewer and Recycled Water Service Customers

The following table sets forth the ten largest sewer service customers of the District for Fiscal Year 2025, as determined by annual payments.

TABLE 28
IRVINE RANCH WATER DISTRICT
Ten Largest Sewer and Recycled Water Service Customers
Fiscal Year 2025

	Customer	*Fiscal Year 2025 Payment*	*Percentage of Total Sewer and Recycled Service Revenues*
1.	The Irvine Company	$ 16,895,519	14.93%
2.	City of Irvine	4,115,284	3.64
3.	University of California, Irvine	3,619,870	3.20
4.	B Braun Medical, Inc.	1,348,173	1.19
5.	Irvine Unified School District	1,004,970	0.89
6.	Crystal Cove Community Association	772,124	0.68
7.	Portola Springs Community Association	586,111	0.52
8.	Great Park Neighborhood Association	584,722	0.52
9.	Baker Ranch Community Association	510,024	0.45
10.	ERP Operating, LP	462,280	0.41
	TOTAL	$ 29,899,076	26.43%

Source: The District.

These ten largest customers accounted for approximately 26.43% of total sewer and recycled water service revenues in Fiscal Year 2025.

Sewer System Rates and Charges

Effective July 1, 2025, residential users pay a fixed monthly service charge which ranges from $28.80 to $43.45, which will rise to 29.85 to $44.60 on July 1, 2026. Commercial and industrial users pay $43.45 for the first ten ccf of water use and $3.94 per ccf thereafter.

For the ten Fiscal Years prior to Fiscal Year 2026, the District had increased its fixed monthly sewer service charge by an average of approximately 6% each year.

The projected sewer system and recycled water sales revenues set forth under the captions "—Projected Recycled Water Sales and Sewer Service Charge Revenues" and "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" reflect sewer rate increases effective on July 1, 2026 as well as projected sewer and recycled water rate increases of 4.0% per annum thereafter which have not been adopted. Sewer rate increases in Fiscal Years 2028 through 2030 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218." There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District's sewer bills for a typical residential customer as compared to other neighboring communities.

TABLE 29
IRVINE RANCH WATER DISTRICT
Typical Residential Customer Sewer Bill

Sewer Service Provider	***Charge***[1]
City of Santa Ana	$66.24
Santa Margarita Water District	63.97
Moulton Niguel Water District	52.44
City of Orange	45.96
City of Huntington Beach	45.32
City of Tustin	44.64
Costa Mesa Sanitary District	41.87
City of Newport Beach	41.00
City of Anaheim	39.14
Irvine Ranch Water District[2]	**37.20**

(1) Information is as of May 2026.
(2) District sewer service charge varies depending upon customer water usage. Excludes *ad valorem* assessments levied by District.
Source: The District.

FUTURE CAPITAL IMPROVEMENTS

The District anticipates spending approximately $1.1 billion on water, recycled water and sewer system improvements during the current and the next four Fiscal Years. The District anticipates financing such improvements through a combination of District revenues, fund balances, bonds and/or certificates of participation and, for a portion of the Kern Fan Project (which is described under the caption "—Water Supply Reliability" below), grant proceeds of approximately $48.8 million. The District currently anticipates issuing additional bonds in the estimated principal amount of $400 million in Fiscal Year 2029, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no assurance as to the ultimate timing or principal amount of such bonds. The increase in Fiscal Year 2028 and 2029 is attributed to Water Supply Reliability Projects which include expansion of the Syphon Recycled Water Reservoir, which is intended to increase storage capacity to the reservoir from 450 acre feet to 5,000 acre feet, and improvements to Santiago Creek Dam and related facilities. See the captions "WATER SUPPLY" and "THE WATER SYSTEM—General" for a discussion of these projects. The following table sets forth the District's projected capital improvement projects for the current and next four Fiscal Years:

TABLE 30
IRVINE RANCH WATER DISTRICT
Projected Water, Recycled Water and Sewer Systems Capital Improvements
For Fiscal Years 2025 through 2029

Project	*2026*	*2027*	*2028*	*2029*	*2030*	*Total*
Solids Handling/MWRP	$ 2,273,044	$ 7,873,256	$ 14,980,007	$ 23,419,999	$ 43,551,972	$ 92,098,279
OC San CORF/Equity[(1)]	13,137,000	163,000	2,191,000	6,091,000	3,562,000	20,762,000
Water Supply Reliability	15,006,735	27,767,283	89,111,285	154,885,456	162,170,958	448,941,717
Development-Related Expansion	11,209,322	19,068,089	22,090,417	12,516,372	924,535	65,808,735
Replacement and Refurbishment	58,249,237	83,293,470	117,905,906	114,773,948	47,291,144	421,513,705
Operational Improvements	13,688,590	14,516,903	10,713,385	19,779,225	15,562,391	74,260,492
Total	**$113,563,927**	**$152,682,000**	**$252,610,000**	**$331,466,000**	**$273,063,000**	**$1,123,384,927**

(1) The District pays for its portion of OC San capital costs based on a 3-year rolling average of sewer flows. Assuming normal weather patterns return, the District's average sewer flow is expected to decrease in the future, which could result in a credit in OC San capital costs in future years. See the caption "THE SEWER SYSTEM—General."

Source: The District.

WATER AND SEWER SYSTEM FINANCIAL INFORMATION

Financial Statements

A copy of the most recent financial statements of the District audited by Davis Farr LLP, Certified Public Accountants (the "**Auditor**"), are included as Appendix B (the "**Financial Statements**") and should be read in their entirety. The Auditor's letter is set forth at the beginning of the Financial Section of the Financial Statements. The Auditor has not reviewed the contents of this Official Statement, and the District has not sought the Auditor's consent to the inclusion of the Auditor's report in the Financial Statements in this Official Statement.

Historic Operating Results and Debt Service Coverage

The following summary of operating results of the District for the last five Fiscal Years is derived from the Financial Statements and audited financial statements of the District for prior Fiscal Years and excludes certain non-cash items and includes certain other adjustments. Such summary operating results are qualified in their entirety by reference to such statements, including the notes thereto.

TABLE 31
IRVINE RANCH WATER DISTRICT
Historic Operating Results and Debt Service Coverage
Fiscal Years 2021 through 2025
(In Thousands)

	2021	*2022*	*2023*	*2024*	*2025*
REVENUES					
Water sales and service charges	$ 96,609	$ 103,286	$ 103,623	$ 112,267	$ 133,770
Recycled water sales and sewer service charges	82,234	84,955	84,693	94,386	113,176
Connection fees	18,913	10,449	14,355	26,902	21,075
Net real estate income	9,822	9,756	11,398	12,610	13,820
Interest income	3,694	1,860	9,396	15,690	20,952
Available 1% Property Tax Revenues[1]	47,172	49,781	53,045	55,896	41,740
Other[2]	6,336	6,529	7,267	10,255	5,213
Total Revenues	$ 264,780	$ 266,616	$ 283,777	$ 328,006	$ 329,746
OPERATION AND MAINTENANCE EXPENSES					
Water services	$ 79,221	$ 89,186	$ 87,070	$ 107,609	$ 117,266
Sewer services	51,540	48,353	50,751	62,799	70,214
Administrative and general	30,169	29,399	34,533	31,636	34,680
Pension expense[3]	10,373	11,286	12,638	12,830	14,256
Other	1,432	2,791	1,972	2,025	2,782
Total Operation & Maintenance Expenses	$ 172,735	$ 181,015	$ 186,964	$ 216,899	$ 239,198
NET REVENUES	$ 92,045	$ 85,601	$ 96,813	$ 111,107	$ 110,548
ASSESSMENT PROCEEDS[4]	$ 13,009	$ 13,329	$ 15,260	$ 16,388	$ 17,982
TOTAL NET REVENUES AND ASSESSMENT PROCEEDS	$ 105,054	$ 98,930	$ 112,073	$ 127,495	$ 128,530
PARITY OBLIGATION DEBT SERVICE					
Series 2016 Bonds	$ 5,301	$ 7,456	$ 7,415	$ 7,455	$ 7,456
2016 Installment Sale Agreement	9,304	9,341	9,358	9,506	9,630
Series 2011A Bonds	3,236	3,487	5,231	5,778	5,239
Series 2010B Bonds[5]	7,756	7,764	7,764	7,764	10,884
Total Parity Obligation Debt Service[6]	$ 25,597	$ 28,048	$ 29,768	$ 30,503	$ 33,209
PARITY OBLIGATION COVERAGE[7]	4.1x	3.5x	3.8x	4.2x	3.3x
Revenues Available For Subordinate Debt Service	$ 79,457	$ 70,882	$ 82,305	$ 97,091	$ 95,321
SUBORDINATE OBLIGATION DEBT SERVICE					
Swap Payments[8]	$ 3,331	$ 3,247	$ 1,081	$ 105	$ 501
State Loans and SCWD Debt[9]	108	100	100	100	59
Total Subordinate Obligation Debt Service	$ 3,439	$ 3,347	$ 1,181	$ 205	$ 560
Sources of Payment for Ad Valorem Assessment Bonds:					
Remaining Revenues	$ 76,018	$ 67,535	$ 81,124	$ 96,787	$ 94,761
1% Pledged Property Tax Revenues[10]	860	1,117	1,427	1,689	18,671
Ad valorem Assessments	6,693	6,602	7,289	7,827	7,927
Total Funds Available for Ad Valorem Assessment Bonds	$ 83,571	$ 75,254	$ 89,840	$ 106,303	$ 121,359
Ad Valorem Assessment Bond Debt Service	(9,222)	(9,689)	(12,321)	(13,325)	(29,310)
NET REVENUES AVAILABLE FOR OTHER PURPOSES	$ 74,349	$ 65,565	$ 77,519	$ 92,978	$ 92,049

(FOOTNOTES ON FOLLOWING PAGE)

(1) Represents 1% Property Tax Revenues available to pay debt service on Parity Obligations after payment of debt service on bonds of the District secured by a pledge of the District's share of the County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002 (the "**Secured Bonds**"). In Fiscal Year 2025, the District prepaid Secured Bonds secured by the 1% Property Tax Revenues in the aggregate principal amount of approximately $19.1 million.

(2) Other Revenues includes golf course lease, cell site leases, conservation revenue, penalty revenue, grants and Allen-McColloch pipeline income.

(3) Pension expense is based on GASB 68 requirements. See the caption "THE IRVINE RANCH WATER DISTRICT—Pension Benefits." These expenses were included in the "Administrative and general" line item in the audited financial statements of the District for the Fiscal Years shown. They have been separated in the above table for presentation purposes.

(4) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds, Series 2025B Bonds, Series 2026A Bonds and Series 2026B Bonds and are not available to pay debt service on other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.

(5) Debt Service net of BAB Credit on Series 2010B Bonds. Reflects announced reductions in BAB Credits due to implementation of certain automatic federal budget costs known as the sequester ranging from 5.7% to 8.7% in federal fiscal years 2013 through 2023. The 2010B Bonds were refunded by the Series 2025A Bonds and the Series 2025B Bonds in July 2025.

(6) Does not include the Prior Reimbursement Agreements because there were no reimbursement obligations outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

(7) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.

(8) Net swap payments made.

(9) Santiago County Water District was consolidated into the District as of July 1, 2006.

(10) Represents District's share of 1% Property Tax Revenues which, together with the *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds. Variations reflect fluctuations in debt service on the Secured Bonds and redemptions thereof. In Fiscal Year 2025, the District prepaid Secured Bonds secured by the 1% Property Tax Revenues in the aggregate principal amount of approximately $19.1 million.

Source: The District.

Projected Operating Results and Debt Service Coverage

The District's estimated projected operating results for the current and next four Fiscal Years are set forth below, reflecting certain significant assumptions concerning future events and circumstances. The financial forecast represents the District's estimate of projected financial results based on the District's assumptions, including the assumptions in the footnotes to the chart set forth below. Such assumptions are material in the development of the District's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

TABLE 32
IRVINE RANCH WATER DISTRICT
Five-Year Debt Service Coverage Forecast
Fiscal Years 2026 through 2030
(In Thousands)

	2026[1]	*2027*[1]	*2028*	*2029*	*2030*
REVENUES					
Water sales and service charges[2]	$ 139,328	$ 148,367	$ 155,785	$ 163,574	$ 171,753
Recycled water sales and sewer service charges[3]	120,104	127,259	133,622	140,303	147,318
Connection fees[4]	20,000	13,000	11,000	11,000	11,000
Net real estate income[5]	13,000	13,400	13,802	14,216	14,643
Interest income[6]	16,791	19,572	17,688	13,389	18,397
Available 1% Property Tax Revenues[7]	62,400	64,900	67,500	70,200	73,000
Other[8]	7,000	7,400	7,400	7,400	7,400
Total Revenues	$ 378,623	$ 393,898	$ 406,797	$ 420,084	$ 443,510
OPERATION AND MAINTENANCE EXPENSES					
Water services[9]	$ 110,294	$ 117,694	$ 122,402	$ 127,298	$ 132,390
Recycled and sewer services[9]	70,925	73,900	76,856	79,930	83,128
Administrative and general[10]	32,898	35,398	36,814	38,287	39,818
Pension expense[11]	5,186	5,289	5,342	5,395	5,395
Other[12]	2,000	2,000	2,000	2,000	2,000
Total Operation & Maintenance Expenses	$ 221,304	$234,281	$ 243,414	$ 252,910	$ 262,731
NET REVENUES	$ 157,319	$ 159,616	$ 163,383	$ 167,174	$ 180,780
ASSESSMENT PROCEEDS[13]	$ 19,106	$ 20,024	$ 21,031	$ 22,058	$ 23,186
TOTAL NET REVENUES AND ASSESSMENT PROCEEDS	$ 176,425	$ 179,640	$ 184,414	$ 189,232	$ 203,966
PARITY OBLIGATION DEBT SERVICE[14]					
Series 2016 Bonds[15]	$ 7,457	$ 7,456	$ 7,458	$ 7,459	$ 7,459
2016 Installment Sale Agreement[16]	9,752	9,827	9,940	10,045	10,156
Series 2011A Bonds[17]	10,166	5,734	5,795	5,752	5,608
Series 2025A Bonds[18]	4,400	4,400	4,400	4,400	4,400
Series 2025B Bonds	5,435	6,473	6,726	6,807	6,879
Series 2026A Bonds[15]	--	2,864	4,463	4,455	4,460
2026 Installment Sale Agreement[16]	--	4,559	8,545	8,546	8,547
Total Parity Obligation Debt Service[19]	$ 37,210	$ 41,313	47,327	$ 47,464	$ 47,508
PARITY OBLIGATION COVERAGE[20]	4.7x	4.3x	3.9 x	4.0x	4.3x
Revenues Available For Subordinate Debt Service	$ 139,215	$ 138,328	$ 137,087	$ 141,767	$ 156,458
SUBORDINATE OBLIGATION DEBT SERVICE[14]					
Swap Payments[21]	$ 1,014	$ 1,224	$ 1,194	$ 896	--
State Loans and SCWD Debt	--	--	--	--	--
Total Subordinate Obligation Debt Service	$ 1,014	$ 1,224	$ 1,194	$ 896	--
Sources of Payment for Ad Valorem Assessment Bonds[14]**:**					
Remaining Revenues	$ 138,201	$ 137,104	$ 135,893	$ 140,871	$ 156,458
1% Pledged Property Tax Revenues[22]	--	--	--	--	--
Ad valorem Assessments[23]	6,894	6,976	7,069	7,142	7,214
Total Funds Available for Ad Valorem Assessment Bonds	$ 145,095	$ 144,080	$ 142,962	$ 148,013	$ 163,671
Ad Valorem Assessment Bond Debt Service[24]	8,668	12,147	12,745	17,336	26,270
NET REVENUES AVAILABLE FOR OTHER PURPOSES	$ 136,427	$ 131,933	$ 130,217	$ 130,678	$ 137,401

(FOOTNOTES ON FOLLOWING PAGE)

(1) Reflected budgeted amounts with certain adjustments.

(2) Reflects rate increases effective on July 1, 2026 as well as projected water rate increases of 4.0% per annum thereafter which have not yet been adopted. See the caption "THE WATER SYSTEM—Projected Water Sales and Service Charge Revenues."

(3) Reflects rate increases effective on July 1, 2026 as well as projected sewer and recycled water rate increases of 4.0% per annum thereafter which have not been adopted. See the caption "THE SEWER SYSTEM—Projected Recycled Water Sales and Sewer Service Charge Revenues."

(4) Based on District projections of development.

(5) Based on existing and expected leases. See the captions "THE IRVINE RANCH WATER DISTRICT—Current Investments" and "THE IRVINE RANCH WATER DISTRICT—Projected Net Real Estate Income."

(6) Assumes interest rates of 3.90% in Fiscal Years 2026 through 2030.

(7) Represents 1% Property Tax Revenues available to pay Debt Service on Parity Obligations after payment of debt service on Secured Bonds from 1% Property Tax Revenues and applicable *ad valorem* assessments. Projected fluctuation in 1% Property Tax Revenues is a result of uneven debt service on Secured Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—1% Property Tax Revenues."

(8) Includes golf course lease, cell site leases, overallocation revenue, penalty revenue and grants.

(9) Projected to increase approximately 4.0% in each of Fiscal Years 2028 through 2030.

(10) Projected to increase approximately 4.0% in each of Fiscal Years 2028 and 2030.

(11) Reflects projected OPEB costs, normal pension costs and unfunded pension liability expenses. See the caption "THE IRVINE RANCH WATER DISTRICT—Pension Benefits."

(12) Projected to remain constant from budgeted amounts for Fiscal Years 2026 and 2027.

(13) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds, Series 2025B Bonds, Series 2026A Bonds and Series 2026B Bonds and are not available to pay other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.

(14) Does not reflect the issuance of additional debt to finance future capital improvements. See the caption "FUTURE CAPITAL IMPROVEMENTS" for a discussion of an expected additional bond issuance in Fiscal Year 2029.

(15) Does not assume the refunding of the 2016 Bonds with the proceeds of the Series 2026B Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness" above as well as the caption "FINANCING PLAN—Other District Obligations" in the Official Statement.

(16) Does not assume the prepayment of the 2016 Certificates with the proceeds of the Series 2026B Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness" above as well as the caption "FINANCING PLAN—Other District Obligations" in the Official Statement.

(17) Assumes variable rates of 3.15% in Fiscal Years 2026 through 2030 on the Series 2011A Bonds. Assumes that the purchase price of Series 2011A Bonds is paid from remarketing proceeds. Assumes letter of credit fees equal to 0.30% of principal.

(18) Assumes variable rates of 3.15% in Fiscal Years 2026 through 2030 on the Series 2025A Bonds. Assumes that the purchase price of Series 2025A Bonds is paid from remarketing proceeds. Assumes letter of credit fees equal to 0.30% of principal.

(19) Does not include the Prior Reimbursement Agreements because no reimbursement obligations are expected to be outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

(20) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.

(21) Net swap payments. Assumes SOFR rate with respect to swaps of 4.00 % in Fiscal Year 2026, 3.65% in Fiscal Year 2027 and 3.70% thereafter. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Subordinate Debt—Interest Rate Swap Transactions."

(22) Represents District's share of 1% Property Tax Revenues which, together with the applicable *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds.

(23) Pro rata share of *ad valorem* assessments based on outstanding par amount of all *ad valorem* assessment bonds and Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds and Series 2025B Bonds.

(24) Ad Valorem Assessment Bonds debt projection assumes annual sinking fund payments, variable rates of 3.15% in Fiscal Years 2026, through 2030 and letter of credit fees equal to 0.30% of principal. Consists of the Series 2008A Bonds, the Series 2009A Bonds and the Series 2009B Bonds and does not include Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds or Series 2025B Bonds, which are Parity Obligations.

Source: The District.

THE IMPROVEMENT DISTRICTS

General

The District contains eight water Improvement Districts and ten sewer Improvement Districts covering specific areas within the District's boundaries, some of them overlapping and each of which is governed by the Act. The District formed the Improvement Districts in order to allocate funding responsibility for capital facilities to the areas that will benefit from such capital facilities and to separate areas on the basis of projected timing of development so that capital facilities construction can be matched to the development approval decisions of the respective local agency that makes them. Some of the Improvement Districts share in the funding of the District's regional facilities which the Improvement Districts will use in common, such as major water importation facilities or sewer treatment plants.

Each Improvement District has a respective plan of works and a certain amount of authorized general obligation bonded indebtedness. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness." The *Ad Valorem* Assessment Bonds issued pursuant to such authorization are sold in each instance by the District on the respective Improvement District's behalf. The obligation to repay bonds issued on behalf of an Improvement District is secured in each instance by the power of the District to levy and collect within such Improvement District *ad valorem* assessments without limitation as to rate or amount on land only (enforceable by customary rights to foreclose and sell property for delinquent assessments) or, in lieu of assessments, in the District's discretion, charges for water or sewer service, as applicable, all within the subject Improvement District. These powers and functions are exercised for each Improvement District by the Board of Directors of the District. Although the respective funding obligations of each Improvement District are separate and independent, the Improvement Districts are not operated as separate or independent governmental entities, nor do they have governing boards or any staff. The Improvement Districts are geographical subdivisions of the District through which the District funds capital improvements.

As a result of the District's discretionary election to use other sources of payment for debt service on *ad valorem* assessment bonds, the annual tax rates set by the District vary from year to year and generally do not result in revenues that correspond with debt service requirements on the *Ad Valorem* Assessment Bonds. The annual tax rates set by the District may vary from year to year for other reasons as well. The District has covenanted under the Indenture that, to the extent necessary to pay debt service on the Series 2026A Bonds, it will impose and collect *ad valorem* assessments on taxable land and In Lieu Charges (as such term is defined in Appendix C) within Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285 and 288. See the caption "SECURITY FOR THE SERIES 2026A BONDS—General—Covenant to Collect Assessment Proceeds" in the forepart of this Official Statement.

The California Water Code allows the Board of Directors, in a noticed hearing process, to reorganize its improvement district boundaries and to consolidate coterminous improvement districts. As development progresses to completion in improvement districts and the need for having separate improvement districts to match capital facilities construction timing for different geographic areas diminishes, consolidation of various improvement districts can produce efficiencies for the District. Under the California Water Code provisions, certain improvement districts of the District are the consolidated successors to previously separate water improvement districts or previously separate sewer improvement districts, respectively. In 2013, following studies carried out by the District to identify further opportunities to implement such consolidations and reorganizations of its improvement districts, the District implemented improvement district consolidations that reduced the number of its improvement districts from 33 to 18. The statutory provisions for the consolidation of improvement districts specify that a consolidated improvement district may levy and collect the assessments and charges necessary to satisfy the obligations of its predecessor improvement districts, and that the authorized and unissued bonds of the predecessor improvement districts may be issued and sold as the bonds of the consolidated improvement district. The District believes that its actions to reorganize and/or consolidate

improvement districts will not impair the District's obligation to pay debt service on the outstanding bonds of such improvement districts or the security therefor.

The following is a general description of each of the Improvement Districts as to which the Series 2026A Bonds constitute consolidated, several general obligations:

Improvement District Nos. 112 and 212

General. Improvement District No. 112 (water) and Improvement District No. 212 (sewer) are coterminous and are generally bound by Interstate 5 to the south, State Route 133 to the west, Irvine Boulevard and Portola Parkway to the north and Alton Parkway to the east. Improvement District No. 112 and Improvement District No. 212 are comprised of approximately 3,353 acres of land and include residential, commercial, institutional and recreational developments.

Set forth below is information with respect to Improvement District Nos. 112 and 212. Certain information with respect to these Improvement Districts has been consolidated, where appropriate in light of their coterminous boundaries.

The *ad valorem* assessments levied by the District in Improvement District Nos. 112 and 212 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 1 above for a description of the authorized, issued, authorized and unissued and amount outstanding of Improvement District Nos. 112 and 212 *ad valorem* assessment bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 112 and 212 for the current and previous four fiscal years.

TABLE 33
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*	*Total*
2022	$3,837,833,796	$352,182	$36,686,260	$3,874,872,238
2023	4,463,059,946	670,822	88,340,627	4,552,071,395
2024	4,929,290,583	670,822	0	4,929,961,405
2025	5,540,160,688	670,822	22,425,617	5,563,257,127
2026	6,549,388,190	670,822	596,393	6,550,655,405

Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 112 and 212 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 34
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 307,229,911	4.69%	111	1.47%
Miscellaneous	22,696,115	0.35	38	0.50
Subtotal Non-Residential	$ 329,926,026	5.04%	149	1.98%
Residential:				
Single Family Residential	$ 5,528,083,122	84.41%	7,189	95.31%
Vacant Residential	691,379,042	10.56	205	2.72
Subtotal Residential	$ 6,219,462,164	94.96%	7,394	98.02%
Total	$ 6,549,388,190	100.00%	7,543	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayers in Improvement District Nos. 112 and 212 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 35
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[1]
1.	GPK Irvine LLC	Residential Development	$ 309,252,490	4.72%
2.	Heritage Fields El Toro LLC	Commercial/Residential	145,726,696	2.23
3.	Taylor Morrison of California LLC	Residential Development	97,066,081	1.48
4.	Lennar Homes of California Inc.	Residential Development	92,676,869	1.42
5.	TPG AG EHC III (TOL) CA 1, LP	Residential Development	75,174,645	1.15
6.	AG EHC II CA 4B LP	Residential Development	43,830,276	0.67
7.	AG EHC II LEN CA 4 LP	Residential Development	41,649,424	0.64
8.	Mind OC	Commercial	35,120,678	0.54
9.	Great Park Retail LLC	Commercial	21,058,650	0.32
10.	Orchid Home LLC	Residential Properties	8,055,508	0.12
			$ 869,611,317	13.28%

(1) Fiscal Year 2026 Local Secured Assessed Valuation: $6,549,388,190.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 112/212**") for Improvement District Nos. 112 and 212 prepared by California

Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 112/212 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such report and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 112/212 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District Nos. 112 and No. 212 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 112 and No. 212 (except as indicated) nor are they necessarily obligations secured by land within District Nos. 112 and No. 212. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 36
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $6,550,655,405

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.256%	$ 43,917
Saddleback Valley Unified School District	1.458	789,361
Irvine Ranch Water District, I.D. No. 112	**100.000**	**6,689,742**
Irvine Ranch Water District, I.D. No. 212	**100.000**	**21,800,116**
City of Irvine Community Facilities District No. 2013-3, I.A. No. 1	100.000	81,472,623
City of Irvine Community Facilities District No. 2013-3, I.A. No. 4	100.000	127,055,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 6	100.000	169,996,780
City of Irvine Community Facilities District No. 2013-3, I.A. No. 7	100.000	220,000,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 8	100.000	70,825,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 9	100.000	56,709,892
City of Irvine Community Facilities District No. 2013-3, I.A. No. 10	100.000	102,690,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 11	100.000	134,000,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$992,072,431
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	1.279%	$ 5,487,741
Orange County Board of Education Certificates of Participation	1.279	116,645
City of Irvine General Fund Obligations	9.144	29,835,043
TOTAL OVERLAPPING GENERAL FUND DEBT		$35,439,429
COMBINED TOTAL DEBT		$1,027,511,860 [2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($28,489,858).....0.43%
Total Direct and Overlapping Tax and Assessment Debt 15.14%

Ratios to Fiscal Year 2026 All Property Assessed Valuation:

(1) Based on all property assessed valuation of $10,894,618,635.
(2) Excludes issues to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 113 and 213

General. Improvement District No. 113 (water) and Improvement District No. 213 (sewer) are coterminous and are located in portions of the Cities of Tustin and Irvine, California. Improvement District No. 113 and Improvement District No. 213 are comprised of approximately 1,629 acres of the land formerly known as Marine Corps Air Station Tustin. The boundaries of Improvement District Nos. 113 and 213 are Harvard Avenue on the southeast, Barranca Parkway on the southwest, Red Hill Avenue on the northwest and Edinger Avenue on the northeast. The former helicopter base, now known as Tustin Legacy, is currently being redeveloped with residential, commercial, institutional and recreational uses. The District expects development in Improvement District Nos. 113 and 213 to continue through 2028. The District expects that the development will consist of approximately 7,200 dwelling units and approximately 9,700,000 square feet of commercial, institutional and recreational uses when completed.

The *ad valorem* assessments levied by the District in Improvement District Nos. 113 and 213 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 113 and 213 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 113 and 213 for the current and previous four Fiscal Years.

TABLE 37
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[(1)]	*Total*
2022	$1,334,069,673	$ 0	$1,334,069,673
2023	1,408,807,895	0	1,408,807,895
2024	1,573,321,340	15,325,188	1,588,646,528
2025	1,724,504,898	0	1,724,504,898
2026	1,852,248,758	0	1,852,248,758

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District Nos. 113 and 213 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 38
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 269,929,438	14.57%	47	1.24%
Government/Social/Institutional	0	0.00	189	4.97
Subtotal Non-Residential	$ 269,929,438	14.57%	236	6.20%
Residential:				
Single Family Residence	$ 853,712,510	46.09%	1,511	39.71%
Condominium/Townhouse	645,859,630	34.87	1,565	41.13
Apartments	38,454,502	2.08	3	0.08
Vacant Residential	44,292,678	2.39	490	12.88
Subtotal Residential	$ 1,582,319,320	85.43%	3,569	93.80%
Total	$ 1,852,248,758	100.00%	3,805	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District Nos. 113 and 213 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 39
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Vestar/Kimco Tustin LP	Commercial	$ 90,483,910	4.89%
2.	Legacy Villas LLC	Apartments	38,454,502	2.08
3.	Flight Phase I Owner LLC	Office Development	34,836,406	1.88
4.	Costco Wholesale Corporation	Commercial	19,250,422	1.04
5.	1C Tustin Legacy LLC	Commercial	17,661,759	0.95
6.	Lowes HIW Inc.	Commercial	13,201,147	0.71
7.	Hoag Memorial Hospital Presbyterian	Commercial	9,932,923	0.54
8.	Healthsouth Corporation	Commercial	6,453,405	0.35
9.	2C Tustin Legacy LLC	Commercial	3,123,700	0.17
10.	Hongyou Ying	Residential	$ 2,242,355	0.12
	TOTAL		$ 235,640,529	12.72%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $1,852,248,758.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 113/213**") for Improvement District Nos. 113 and 213 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 113/213 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 113/213 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District Nos. 113 and 213 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 113 and 213 (except as indicated) nor are they necessarily obligations secured by land within Improvement District Nos. 113 and 213. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 40
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $1,852,248,758

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.090%	$ 15,440
Rancho Santiago Community College District	0.155	166,651
Rancho Santiago Community College District School Facilities Improvement District No. 1	0.292	385,951
Irvine Unified School District School Facilities Improvement District	2.858	5,831,892
Santa Ana Unified School District	0.361	1,413,786
Tustin Unified School District	6.184	5,380,080
Tustin Unified School District School Facilities Improvement District No. 2002-1	9.479	2,824,268
Tustin Unified School District School Facilities Improvement District No. 2008-1	7.187	4,753,122
Tustin Unified School District School Facilities Improvement District No. 2012-1	5.206	1,932,467
Tustin Unified School District Community Facilities District No. 06-1	100.000	11,635,000
City of Irvine Community Facilities District No. 2005-2	99.263	9,643,400
Irvine Ranch Water District, I.D. No. 113	**100.000**	**12,201,221**
Irvine Ranch Water District, I.D. No. 213	**100.000**	**17,631,200**
City of Tustin Community Facilities District Nos. 04-1, 06-1 and 07-1	56.194-100.000	69,409,987
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$143,224,465
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.449%	$1,926,502
Orange County Board of Education Certificates of Participation	0.449	40,949
Santa Ana Unified School District Certificates of Participation	0.361	127,058
City of Irvine General Fund Obligations	0.319	1,040,833
TOTAL OVERLAPPING GENERAL FUND DEBT		$3,135,342
OVERLAPPING TAX INCREMENT DEBT:		
Successor Agency to Tustin Redevelopment Agency	59.626%	$22,139,134
TOTAL OVERLAPPING TAX INCREMENT DEBT		$22,139,134
COMBINED TOTAL DEBT		$168,484,941[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($29,832,421).....1.61%
Total Direct and Overlapping Tax and Assessment Debt.....7.73%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 4.40%

Ratios to Redevelopment Incremental Valuation ($1,481,636,510):
Overlapping Tax Increment Debt 1.49%

(1) Based on all property assessed valuation of $3,828,022,859.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 125 and 225

General. Improvement District Nos. 125 and 225 are the legal successors to Improvement District Nos. 105 and 250, respectively. In 2013 (i) Improvement District No. 105 and ten other water improvement districts were consolidated into a new improvement district, Improvement District No. 125, in accordance with Section 36454 *et seq*. of the Act; and (ii) Improvement District No. 250 and nine other sewer improvement districts were consolidated into a new improvement district, Improvement District No. 225, in accordance with Section 36454 *et seq*. of the Act.

Improvement District Nos. 125 and 225 are substantially, but not completely, overlapping. Improvement District No. 125 (water) covers approximately 35,438 acres of the District, including several contiguous and non-contiguous areas in the central and coastal parts of the District. Improvement District No. 225 (sewer) covers approximately 32,862 acres of the District, including several contiguous and non-contiguous areas in the central part of the District. Currently, the majority of the land within Improvement District Nos. 125 and 225 consists of developed residential and commercial property. However, the District expects certain areas within Improvement District Nos. 125 and 225 to be subject to infill development and redevelopment in the future. The District expects such additional development in Improvement District Nos. 125 and 225 to continue through at least 2028.

The *ad valorem* assessments levied by the District in Improvement District Nos. 125 and 225 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 125 and 225 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 125 for the current and previous four Fiscal Years.

TABLE 41
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$50,567,081,713	$ 553,973	$ 51,119,724	$50,618,755,410
2023	54,341,166,760	1,206,612	31,707,647	54,374,081,019
2024	58,735,262,984	1,206,612	90,433,208	58,826,902,804
2025	62,189,512,879	1,206,612	145,807,677	62,336,527,168
2026	66,419,236,803	1,206,612	67,544,426	66,487,987,841

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table presents the assessed valuations of land in Improvement District No. 225 for the current and previous four Fiscal Years.

TABLE 42
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[1]	*Total*
2022	$43,384,833,732	$ 553,973	$ 50,019,014	$43,435,406,719
2023	46,633,216,378	1,206,612	28,872,502	46,663,295,492
2024	50,595,397,452	1,206,612	87,685,147	50,684,289,211
2025	53,569,037,747	1,206,612	129,802,983	53,700,047,342
2026	57,336,039,873	1,206,612	70,064,515	57,407,311,000

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 125 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 43
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Undeveloped	$ 74,180,103	0.11%	81	0.07%
Commercial/Office	5,547,142,876	8.35	1,519	1.34
Industrial	3,208,072,841	4.83	1,166	1.03
Government/Social/Institutional	12,895,086	0.02	328	0.29
Miscellaneous	19,472,585	0.03	8	0.01
Subtotal Non-Residential	$ 8,861,763,491	13.34%	3,102	2.74%
Residential:				
Single Family Residence	$ 38,569,957,748	58.07%	41,601	36.70%
Condominium	18,136,363,227	27.31	35,183	31.04
2+ Residential Units/Apartments	756,473,278	1.14	256	0.23
Timeshare Interests	94,679,059	0.14	33,205	29.29
Subtotal Residential	$ 57,557,473,312	86.66%	110,245	97.26%
Total	$ 66,419,236,803	100.00%	113,347	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 225 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 44
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Undeveloped	$ 34,563,553	0.06%	73	0.09%
Commercial/Office	5,456,221,012	9.52	1,473	1.82
Industrial	3,181,014,755	5.55	1,144	1.42
Government/Social/Institutional	12,385,308	0.02	319	0.40
Miscellaneous	19,202,950	0.03	9	0.01
Subtotal Non-Residential	$ 8,703,387,578	15.18%	3,018	3.74%
Residential:				
Single Family Residence	$ 30,227,251,509	52.72%	41,008	50.79%
Condominium	17,608,740,646	30.71	36,459	45.15
2+ Residential Units/Apartments	796,660,140	1.39	259	0.32
Subtotal Residential	$ 48,632,652,295	84.82%	77,726	96.96%
Total	$ 57,336,039,873	100.00%	80,744	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).

Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 125 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 45
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	The Irvine Company	Commercial	$ 259,854,600	0.39%
2.	Barranca Properties LLC	Commercial	249,696,000	0.38
3.	Centerpoint Properties Trust	Commercial	125,769,309	0.19
4.	Amazon.Com Services LLC	Commercial	121,410,647	0.18
5.	SP One LLC	Industrial	116,809,286	0.18
6.	COH Property Holdings OC LLC	Commercial	106,119,058	0.16
7.	Heritage Fields El Toro LLC	Commercial	105,852,031	0.16
8.	Sand Canyon Business Center LLC	Commercial	96,864,719	0.15
9.	Olen Properties Corp.	Commercial	92,925,135	0.14
10.	Alton Parkway Office Campus LLC	Industrial	90,202,680	0.14
	TOTAL		$ 1,365,503,465	2.06%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $66,419,236,803
.
Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District No. 225 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 46
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	The Irvine Company	Commercial	$ 282,298,345	0.49%
2.	Barranca Properties LLC	Commercial	249,696,000	0.44
3.	Centerpoint Properties Trust	Commercial	125,769,309	0.22
4.	Great Park Parcel 1 Owner	Commercial	124,206,319	0.22
5.	Amazon.Com Services LLC	Industrial	121,410,647	0.21
6.	SP One LLC	Commercial	116,809,286	0.20
7.	COH Property Holdings OC LLC	Commercial	106,119,058	0.29
8.	Heritage Fields El Toro LLC	Commercial	105,852,031	0.18
9.	Sand Canyon Business Center LLC	Commercial	96,864,719	0.17
10.	Olen Properties Corp	Commercial	92,925,135	0.16
	TOTAL		$ 1,421,950,849	2.48%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $57,336,039,873.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Reports–I.D. 125/225**") for Improvement District Nos. 125 and 225, respectively, prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Reports–I.D. 125/225 were

prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Reports–I.D. 125/225 generally include long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 125 and No. 225 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 125 and No. 225 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 125 and No. 225. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 47
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $62,336,527,168

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	2.723%	$ 467,131
Coast Community College District	5.143	42,642,165
Rancho Santiago Community College District	0.926	995,605
Irvine Unified School District School Facilities Improvement District No. 1	46.229	94,332,586
Laguna Beach Unified School District	14.466	763,805
Newport Mesa Unified School District	13.140	25,795,600
Orange Unified School District	1.982	5,441,581
Saddleback Valley Unified School District	36.521	19,772,469
Tustin Unified School District	36.444	31,706,280
Tustin Unified School District School Facilities Improvement District No. 2002-1	3.202	954,036
Tustin Unified School District School Facilities Improvement District No. 2008-1	3.285	2,172,535
Tustin Unified School District School Facilities Improvement District No. 2012-1	29.509	10,953,741
Irvine Ranch Water District, I.D. No. 125	**100.000**	**148,556,688**[2]
Irvine Ranch Water District, I.D. No. 153/253	99.995	17,234,024
Irvine Ranch Water District, I.D. No. 185/285	100.000	2,921,367
Irvine Ranch Water District, I.D. No. 225	96.569	207,499,398
Irvine Ranch Water District, I.D. No. 240	99.569	3,486,995
Community Facilities Districts	0.737-100.	614,292,492
County 1915 Act Bonds	100.000	16,015,000
City 1915 Act Bonds	Various	450,471,378
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,695,474,876
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	13.606%	$ 58,378,584
Orange County Board of Education Certificates of Participation	13.606	1,240,867
Coast Community College District General Fund and Pension Obligation Bonds	5.143	22,886
Orange Unified School District Certificates of Participation and Benefit Obligation Bonds	1.982	1,224,876
City of Irvine General Fund Obligations	60.109	196,123,645
City of Newport Beach Certificates of Participation	21.528	18,268,661
City of Orange General Fund and Pension Obligation Bonds	3.267	8,930,834
TOTAL OVERLAPPING GENERAL FUND DEBT		$284,190,353
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$1,242,066
COMBINED TOTAL DEBT		$1,980,807,295[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($147,556,688) 0.22%
Total Direct and Overlapping Tax and Assessment Debt.....2.55%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt .....1.71 %

Ratios to Redevelopment Incremental Valuation ($322,958,736):
Total Overlapping Tax Increment Debt.....0.35%

(1) Based on all property assessed valuation of $115,894,556,496.
(2) Improvement District No. 125 was formed by consolidating former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TABLE 48
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $57,407,311,000

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	2.402%	$ 412,063
Coast Community College District	0.242	2,006,495
Rancho Santiago Community College District	0.016	17,203
Irvine Unified School District School Facilities Improvement District	52.262	106,643,224
Newport Mesa Unified School District	2.523	4,952,991
Orange Unified School District	0.033	90,602
Saddleback Valley Unified School District	36.521	19,772,469
Tustin Unified School District	37.623	32,732,010
Tustin Unified School District School Facilities Improvement District No. 2002-1	5.008	1,492,134
Tustin Unified School District School Facilities Improvement District No. 2008-1	5.139	3,398,678
Tustin Unified School District School Facilities Improvement District No. 2012-1	30.850	11,452,262
Irvine Ranch Water District, I.D. No. 125	85.174	125,679,933
Irvine Ranch Water District, I.D. No. 153/253	99.995	17,234,024
Irvine Ranch Water District, I.D. No. 185/285	100.000	2,921,367
Irvine Ranch Water District, I.D. No. 225	**100.000**	**214,871,644[2]**
Community Facilities Districts	0.737-100.	605,619,643
City 1915 Act Bonds	Various	450,471,378
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,599,768,120
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	12.001%	$ 51,492,091
Orange County Board of Education Certificates of Participation	12.001	1,094,491
Coast Community College District General Fund and Pension Obligation Bonds	0.242	1,077
Orange Unified School District Certificates of Participation and Benefit Obligation Bonds	0.038	20,394
City of Irvine General Fund Obligations	62.119	202,681,873
City of Newport Beach Certificates of Participation	3.136	2,661,210
City of Orange General Fund and Pension Obligation Bonds	0.027	73,808
TOTAL OVERLAPPING GENERAL FUND DEBT		$258,024,944
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$1,142,066
COMBINED TOTAL DEBT		$1,858,935,130[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($214,871,644) 0.37%
Total Direct and Overlapping Tax and Assessment Debt..... 2.79%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 1.82%

Ratios to Redevelopment Incremental Valuation ($322,958,736):
Total Overlapping Tax Increment Debt..... 0.35%

(1) Based on all property assessed valuation of $102,219,864,164.
(2) Improvement District No. 225 was formed by consolidating former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 153 and 253

General. Improvement District No. 153 (water) and Improvement District No. 253 (sewer) are coterminous and include portions of the Irvine business district, the Irvine Spectrum, Shady Canyon, Laguna Laurel and East Orange. Improvement District No. 153 and Improvement District No. 253 are comprised of approximately 6,768 acres of land, including developed areas and areas in which additional residential development and the dedication of open space is expected in the future.

The *ad valorem* assessments levied by the District in Improvement District Nos. 153 and 253 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 153 and 253 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 153 and Improvement District No. 253 for the current and previous four Fiscal Years.

TABLE 49
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[(1)]	*Total*
2022	$ 6,557,591,097	$20,052,761	$ 6,577,643,858
2023	7,560,955,645	212,000	7,561,167,645
2024	8,891,174,313	102,448	8,891,276,761
2025	9,801,263,572	0	9,801,263,572
2026	11,108,953,286	360,860	11,109,341,146

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 153 and Improvement District No. 253 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 50
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Miscellaneous	$ 25,955,833	0.23%	272	2.03%
Commercial	713,970,006	6.43	115	0.86
Industrial	4,234,345	0.04	10	0.07
Subtotal Non-Residential	$ 744,160,184	6.70%	397	2.96%
Residential:				
Single Family Residence	$10,288,766,332	92.08%	11,767	87.86%
Apartment	33,564,246	0.30	17	0.13
Vacant Residential	102,462,524	0.92	1,212	9.05
Subtotal Residential	$10,364,793,102	93.30%	12,996	97.04%
Total	$11,108,953,286	100.00%	13,393	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 153 and Improvement District No. 253 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 51
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[1]
1.	Barranca Properties LLC	Commercial	$ 249,696,000	2.25%
2.	Great Park Parcel 1 Owner	Commercial	146,572,139	1.32
3.	COH property Holdings OC LLC	Commercial	106,119,058	0.96
4.	Heritage Fields El Toro LLC	Commercial/Residential	105,852,031	0.95
5.	Alton Parkway Operating Company LLC	Commercial	63,755,254	0.57
6.	Shea Homes LP	Residential Development	51,877,684	0.47
7.	CDB Investments LP	Residential Development	34,537,310	0.31
8.	DPIF4 CA 42 Irvine 1 LLC	Commercial	28,835,848	0.26
9.	The Irvine Company	Commercial/Residential	26,860,980	0.24
10.	The New Home Company Southern California	Residential Development	14,517,400	0.13
	TOTAL		$ 828,623,704	7.46%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $11,108,953,286.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "Debt Report–I.D. 153/253") for Improvement District No. 153 and Improvement District No. 253 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 153/253 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 153/253 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 153 and Improvement District No. 253 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 153 and Improvement District No. 253 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 153 and Improvement District No. 253. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 52
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $11,109,314,146

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.465%	$ 79,771
Rancho Santiago Community College District	0.009	9,677
Irvine Unified School District School Facilities Improvement District No. 1	0.545	1,112,100
Orange Unified School District	0.019	52,165
Saddleback Valley Unified School District	0.359	194,363
Tustin Unified School District	10.091	8,779,170
Irvine Ranch Water District, I.D. No. 153 and 253	**100.000**	**17,739,735**
Irvine Ranch Water District, I.D. No. 125	17.062	26,142,264
Irvine Ranch Water District, I.D. No. 225	19.345	42,644,828
Irvine Unified School District Community Facilities District No. 09-1	59.195	228,044,415
Tustin Unified School District Community Facilities District No. 14-1	98.401	80,964,719
City of Irvine 1915 Act Bonds	Various	274,240,340
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$680,003,547
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	2.322%	$ 9,962,889
Orange County Board of Education Certificates of Participation	2.322	211,766
Orange Unified School District Certificates of Participation and Benefit Obligations	0.019	11,081
City of Irvine General Fund Obligations	16.589	54,126,589
City of Orange General Fund and Pension Obligation Bonds	0.027	73,808
TOTAL OVERLAPPING GENERAL FUND DEBT		$ 64,386,794
COMBINED TOTAL DEBT		$744,390,341[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($17,739,735)..... 0.16%
Total Direct and Overlapping Tax and Assessment Debt.....6.12%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 3.76%

(1) Based on all property assessed valuation of $19,775,215,273.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 185 and 285

General. Improvement District No. 185 (water) and Improvement District No. 285 (sewer) are coterminous and are located in the Los Alisos area. Improvement District No. 185 and Improvement District No. 285 are comprised of approximately 569 acres of land, including developed areas and areas in which additional residential and commercial development and the dedication of open space is expected in the future. Improvement District No. 185 and Improvement District No. 285 were created on March 4, 2014.

The *ad valorem* assessments levied by the District in Improvement District Nos. 185 and 285 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding

Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 185 and 285 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 185 and 285 for the current and previous four fiscal years.

TABLE 53
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[1]	*Total*
2022	$1,299,866,233	$0	$1,299,866,233
2023	1,424,002,022	0	1,424,002,022
2024	1,563,973,647	(52,269)	1,563,921,378
2025	1,636,536,507	436,227	1,636,972,734
2026	1,716,373,631	0	1,716,373,631

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 185 and 285 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 54
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Residential:				
Single Family Residence	$ 1,698,827,278	98.98%	2,632	87.24%
Vacant Residential	17,546,353	1.02	385	12.76
Subtotal Residential	$ 1,716,373,631	100.00%	3,017	100.00%
Total	$ 1,716,373,631	100.00%	3,017	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 185 and Improvement District No. 285 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 55
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Bhavini & Dheepu Nambiar	Residence	$ 2,523,914	0.15%
2.	Hongming Zhou	Residence	2,503,166	0.15
3.	Patrick Andrew Clinger	Residence	2,292,279	0.13
4.	Sarita T. Reddy	Residence	2,189,141	0.13
5.	Lauren Bennett	Residence	2,156,283	0.13
6.	Persio De Luca Neto	Residence	2,049,540	0.12
7.	Zhenhao He	Residence	2,036,742	0.12
8.	Chirag Chandrakantbhai Patel	Residence	1,967,803	0.11
9.	Fae Bidgoli	Residence	1,955,272	0.11
10.	Guangzhong Liang	Residence	1,949,725	0.11
	TOTAL		$ 21,623,865	1.26%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $1,716,373,631.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "Debt Report–I.D. 185/285") for Improvement District No. 185 and Improvement District No. 285 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 185/285 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 185/285 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 185 and Improvement District No. 285 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 185 and Improvement District No. 285 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 185 and Improvement District No. 285. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 56
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Direct and Overlapping Debt Statement

Fiscal Year 2025-2026 Land Only Assessed Valuation: $1,716,373,631

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.072%	$ 12,352
Saddleback Valley Unified School District	5.091	2,756,267
Irvine Ranch Water District Improvement District No. 185 and 285	**100.000**	**2,921,367**[2]
Irvine Ranch Water District Improvement District No. 125	4.589	6,771,376
Irvine Ranch Water District Improvement District No. 225	5.315	11,420,428
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$ 23,881,790
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.358%	$ 1,536,053
Orange County Board of Education Certificates of Participation	0.358	32,650
TOTAL OVERLAPPING GENERAL FUND DEBT		$ 1,568,703
COMBINED TOTAL DEBT		$ 25,450,493[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($2,921,367)..... 0.17%
Total Direct and Overlapping Tax and Assessment Debt.....1.39%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 0.83%

(1) Based on all property assessed valuation of $3,051,368,004.
(2) Excludes Series 2016 Bonds.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 188 and 288

General. Improvement District No. 188 (water) and Improvement District No. 288 (Sewer) are coterminous and are located in the northeastern portion of the District. Improvement District Nos. 188 and 288 are comprised of approximately 216 acres. Improvement District Nos. 188 and 288 are nearly fully developed. At build-out, the development within Improvement District Nos. 188 and 288 is anticipated to consist of approximately 1,130 residential units and 38 acres of commercial, public facilities and parks.

Set forth below is information with respect to Improvement District Nos. 188 and 288. Certain information with respect to these Improvement Districts has been consolidated, where appropriate in light of their coterminous boundaries.

The *ad valorem* assessments levied by the District in Improvement District Nos. 188 and 288 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 above for a description of the authorized, issued, authorized and unissued and amount outstanding of Improvement District Nos. 188 and 288 ad valorem assessment bonds.

The table below presents the five-year history of assessed valuations of land in Improvement District Nos. 188 and 288 for the current and previous four Fiscal Years:

TABLE 57
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$284,644,152	$0	$0	$284,644,152
2023	329,117,953	0	0	329,117,953
2024	388,854,365	0	0	388,854,365
2025	409,635,549	0	0	409,635,549
2026	433,463,498	0	0	433,463,498

(1) Assessed value of unsecured land only.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 188 and 288 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 58
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 1,767,171	0.41%	1	0.11%
Subtotal Non-Residential	1,767,171	0.41%	1	0.11%
Residential:				
Single Family Residential	$ 424,300,278	97.89%	750	85.71%
Multi-Family Residential	3,805,202	0.88	1	0.11
Vacant Residential	3,590,747	0.83	123	14.06
Subtotal Residential	$ 431,696,227	99.59%	874	100.00%
Total	$ 433,463,398	100.00%	875	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayers in Improvement District Nos. 188 and 288 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 59
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Portola Senior Housing Associates LP	Apartments	$ 3,805,202	0.88%
2.	USA Portola East LLC	Residential Development	3,532,387	0.81
3.	USA Portola West LLC	Residential Development	2,357,833	0.54
4.	Paul Demian	Residential	2,116,572	0.49
5.	BBY Investment LLC	Residential	2,030,524	0.47
6.	Xiaoqing Ma	Residential	1,894,875	0.44
7.	Emmett and Cynthia Mosley	Residential	1,876,179	0.43
8.	Richard Cortez	Residential	1,818,160	0.42
9.	Portola Retail LLC	Commercial	1,767,171	0.41
10.	Lizhong Jia	Residential	1,758,780	0.41
			$ 22,957,683	5.30%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (land only): $433,463,498.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 188/288**") for Improvement District Nos. 188 and 288 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 188/288 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 188/288 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 188/288 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 188 and 288 (except as indicated) nor are they necessarily obligations secured by land within Improvement District Nos. 188 and 288. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 60
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $433,463,498

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.023%	$ 3,946
Saddleback Valley Unified School District	1.652	894,393
Irvine Ranch Water District, I.D. No. 188	**100.000**	**1,584,425**[2]
Irvine Ranch Water District, I.D. No. 288	**100.000**	**286,622**
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,769,386
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.116%	$497,715
Orange County Board of Education Certificates of Participation	0.116	10,579
TOTAL OVERLAPPING GENERAL FUND DEBT		$508,294
COMBINED TOTAL DEBT		$3,277,680[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($1,871,047).....0.45%
Total Direct and Overlapping Tax and Assessment Debt 0.64%

Ratios to Fiscal Year 2026 All Property Assessed Valuation:
Combined Total Debt.....0.33%

(1) Based on all property assessed valuation of $990,039,034.
(2) Excludes issues to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District No. 240

General. Improvement District No. 240 (sewer) covers approximately 4,141 acres in the western portion of the District. The boundaries of Improvement District No. 240 are Crystal Cove State Park to the southeast, Pacific Coast Highway and the Pacific Ocean to the southwest, the City of Newport Beach to the northwest and the San Joaquin Hills Transportation Corridor to the northeast. Currently, Improvement District No. 240 consists of approximately 5,300 residential units, several apartment buildings and timeshare developments and 36 acres of commercial development and recreational areas. Future development is expected mainly in the Crystal Cove area and includes low density residential development.

The *ad valorem* assessments levied by the District in Improvement District No 240 to pay such Improvement District's Included Amount of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District No. 240 Ad Valorem Assessment Bonds.

The table below presents the five-year history of assessed valuations of land in Improvement District No. 240 for the current and previous four Fiscal Years:

TABLE 61
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$ 8,599,641,712	$0	$ 1,122,471	$ 9,600,764,183
2023	9,215,072,909	0	3,933,394	9,219,006,303
2024	9,748,546,147	0	2,591,861	9,751,138,008
2025	10,321,139,707	0	22,282,515	10,343,422,222
2026	10,939,000,568	0	4,163,932	10,943,164,500

(1) Assessed value of unsecured land only.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District No. 240 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 62
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 96,780,087	0.88%	35	0.08%
Subtotal Non-Residential	$ 96,780,087	0.88%	35	0.08%
Residential:				
Single Family Residence	$ 9,623,602,733	87.98%	2,744	6.59%
Timeshares	105,725,180	0.97	37,844	90.89
Condominium/Townhouse	1,088,702,026	9.95	992	2.38
2+ Residential Units/Apartments	16,021,819	0.15	12	0.03
Vacant Residential	8,168,723	0.07	12	0.03
Subtotal Residential	$10,842,220,481	99.12%	41,604	99.92%
Total	$10,939,000,568	100.00%	41,639	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayer in Improvement District No. 240 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 63
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	PH Finance LLC	Commercial	$ 74,997,306	0.69%
2.	Del Mar JLSA LLC	Residential	52,910,349	0.48
3.	US No 8 LLC	Residential	45,256,171	0.41
4.	Newport Coast Sunshine LLC	Residential	36,345,296	0.33
5.	Ye Xin Investments Holding LLC	Residential	32,967,736	0.30
6.	Zhikang Shen	Residential	31,019,454	0.28
7.	Chris Bucci	Residential	30,817,385	0.28
8.	Proctor 745 Investment LLC	Residential	28,880,055	0.26
9.	Brandywine Ct LLC	Residential	27,799,054	0.25
10.	ZS LLC	Residential	26,273,497	0.24
			$387,266,303	3.54%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (land only): $10,939,000,568.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 240**") for Improvement District No. 240 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 240 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 240 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 240 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 240 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 240. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 64
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $10,943,164,500

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.376%	$ 64,503
Coast Community College District	4.918	40,776,622
Laguna Beach Unified School District	14.579	769,771
Newport Mesa Unified School District	11.037	21,667,126
Irvine Ranch Water District, I.D. No. 125	13.753	20,293,471
Irvine Ranch Water District, I.D. No. 240	**100.000**	**3,502,089**
Laguna Beach Unified School District Community Facilities District 1998-1	100.000	5,575,000
County 1915 Act Bonds	100.000	18,707,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$111,355,582
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	1.879%	$ 8,062,131
Orange County Board of Education Certificates of Participation	1.879	171,365
Coast Community College District General Fund and Pension Obligation Bonds	4.918	21,885
City of Newport Beach Certificates of Participation	18.954	16,084,364
TOTAL OVERLAPPING GENERAL FUND DEBT		$24,339,745
COMBINED TOTAL DEBT		$135,695,327[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($3,502,089).....0.03%
Total Direct and Overlapping Tax and Assessment Debt 1.02%

Ratios to All Property Assessed Valuation:
Combined Total Debt.....0.85%

(1) Based on all property assessed valuation of $16,007,551,982.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

Proposition 218

General. An initiative measure entitled the "Right to Vote on Taxes Act" (the "**Initiative**") was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIIC and Article XIIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Article XIIID. Article XIIID defines the terms "fee" and "charge" to mean "any levy other than an *ad valorem* tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." A "property-related service" is defined as "a public service having a direct relationship to property ownership." Article XIIID further provides that reliance by an agency on any parcel map (including an assessor's parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIIID requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to

be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it.

In July 2006, the California Supreme Court held, in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) ("***Bighorn***"), that the initiative power described in Article XIIIC applies to any local taxes, assessments, fees and charges as defined in Articles XIIIC and XIIID. Article XIIID defines "fee" or "charge" to mean a levy (other than *ad valorem* or special taxes or assessments) imposed by a local government "upon a parcel or upon a person as an incident of property ownership," including a user fee for a "property related service." The Court also found that charges for water delivery are charges for a property-related service and, therefore, constitute "fees" or "charges" within the meaning of both Article XIIID and section 3 of Article XIIIC. In accordance with Article XIIID and the decision in *Bighorn*, the District has conducted notice and hearing proceedings to comply with requirements of Article XIIID with respect to proposed increases of rates and charges since Fiscal Year 2007. See the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges."

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) ("***SJC***") upholding tiered water rates under Proposition 218 provided that the rates correspond to the actual cost of furnishing service at a given level of usage. The opinion included a finding that the City of San Juan Capistrano did not attempt to calculate the actual costs of providing water at various tier levels. The District's tiered water rates are described under the caption "THE WATER SYSTEM—Water System Rates and Charges."

Article XIIIC. Article XIIIC provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments. Article XIIIC does not define the terms "local tax," "assessment," "fee" or "charge." In light of *Bighorn* and as discussed above under the caption "—Article XIIID," the terms "fee" and "charge" as used in Article XIIIC include, at a minimum, all of the fees and charges within the "property related" qualification set forth in Article XIIID. Moreover, the provisions of Article XIIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. Therefore, in the absence of other limitations, provisions of Article XIIIC could be applicable to the water and sewer rates charged by the District.

On August 3, 2020, the State Supreme Court issued an opinion in *Wilde v. City of Dunsmuir* (2020) 9 Cal. 5th 1105) holding that the taxation exemption from the State Constitution's referendum process applies to measures setting water rates, and that the Initiative does not subject water rates to challenge by referendum. The District and its general counsel do not believe that current applicable case law interpreting Article XIIIC grants to the voters within the District the power to repeal or reduce rates and charges in a manner which would be inconsistent with the contractual obligations of the District. However, there can be no assurance of the availability of particular remedies adequate to protect the beneficial owners of the Series 2026A Bonds. Remedies available to beneficial owners of the Series 2026A Bonds in the event of a default by the District are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and

permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The District does not believe that the enactment of Proposition 26 has affected its ability to levy rates and charges for water, recycled water or sewer service.

Article XIIIA

General. On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the California Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIIIA approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by the voters voting on such indebtedness. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by each California county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon the location of reappraised property and the value of property within each taxing agency. Any such allocation made to a local agency continues as part of its allocation in future years.

Article XIIIB

An initiative to amend the California Constitution entitled "Limitation of Government Appropriations" was approved on November 6, 1979 thereby adding Article XIIIB to the California Constitution ("**Article XIIIB**"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys that are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriations of moneys that are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect

changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District is of the opinion that its rates and charges for water, sewer and recycled water services do not exceed the costs it reasonably bears in providing such services and therefore are not subject to the limits of Article XIIIB, and that tax revenues and other revenues received by the District which may constitute the "proceeds of taxes" are appropriated for debt service or qualified capital outlay projects and are not subject to

Future Initiatives

Article XIIIA, Article XIIIB, Proposition 218 and Proposition 26 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures (including the measure that is described below under the subcaption "—Initiative 1935") could be adopted, further affecting ability of the District to collect or expend Revenues.

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