COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR
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KEITH KNOX
TREASURER AND TAX COLLECTOR

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
61 March 9, 2021

CELIA ZAVALA
EXECUTIVE OFFICER

March 09, 2021

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ESTABLISHING COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) AND COMMUNITY FACILITIES DISTRICT NO. 2021-02 (VALENCIA-SERVICES) (FIFTH DISTRICT) (3 VOTES)

SUBJECT

The Newhall Land and Farming Company, a California limited partnership, and Stevenson Ranch Venture, LLC, a Delaware limited liability company (collectively, the Owners) own the subject property and, on behalf of the Owners, Newhall Land and Farming Company has submitted petitions requesting the formation of Mello-Roos Community Facilities Districts (CFDs) to finance regional infrastructure improvements and certain services in the Valencia area (Valencia Project). The County of Los Angeles Community Facilities (Mello-Roos) District Task Force (Task Force), including representatives of the Chief Executive Office, County Counsel, Fire, Health Services, Library, Los Angeles County Development Authority, Parks, Public Health, Public Works, Regional Planning and Sheriff, have reviewed the application and determined the petitions are consistent with Board Policy No. 4.047 - Community Facilities District Goals and Policies (the CFD Policy), with recommended exceptions to allow for an escalation of the annual debt service on bonds and the annual special tax to fund facilities and authorized services, and that the formation of the CFDs and Mello-Roos financing are appropriate. On January 26, 2021, the Board adopted resolutions stating its intention to establish County of Los Angeles Community Facilities District No. 2021-01 (Valencia – Facilities) (the Facilities CFD) and County of Los Angeles Community Facilities District No. 2021-02 (Valencia – Services) (the Services CFD), designating Improvement Area No. 1 (Area No. 1) within the Facilities CFD, and the Future Annexation Area for each CFD, to incur bonded indebtedness within Area No. 1 and setting Public Hearings for March 9, 2021, on such matters.

AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed project is exempt from the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and the record.

2. Receive and file a CFD Report for each of the Facilities CFD and the Services CFD.

3. Conduct a Public Hearing to (a) consider formation of the Facilities CFD, designating Area No. 1 therein and the Future Annexation Area, levying a special tax within Area No. 1, and the issuance of bonded indebtedness proposed for the Facilities CFD and Area No. 1 to finance authorized facilities, and (b) consider formation of the Services CFD, designating the Future Annexation Area, and levying a special tax within the Services CFD to finance public services.
4. If there is no majority protest against the formation of the Facilities CFD or the Services CFD:

a. Adopt the Resolution approving the Joint Community Facilities Agreement (JCFA) among the County of Los Angeles, the Owners, and the Newhall Ranch High Country Recreation and Conservation Authority (High Country Authority), and authorize and direct the Chair of the Board to execute the Joint Community Facilities Agreement.

b. Adopt (a) the Resolution establishing the County of Los Angeles Community Facilities District No. 2021-01 (Valencia – Facilities), authorizing the levy of a special tax and calling a special election within Area No. 1 therein and approving and authorizing certain actions related thereto, and (b) the Resolution establishing the County of Los Angeles Community Facilities District No. 2021-02 (Valencia – Services), authorizing the levy of a special tax and calling a special election within the Services CFD, and approving and authorizing certain actions related thereto.

c. Adopt the Resolution determining the necessity to incur bonded indebtedness within the Facilities CFD and Area No. 1 therein and calling a special election therein (together with the Resolutions establishing the Facilities CFD and the Services CFD, the Resolutions).

5. Hold special elections pursuant to Government Code Section 53326 for (a) the Facilities CFD on the ballot propositions of levying the special tax, establishing an appropriations limit, and incurring bonded indebtedness therein, and (b) the Services CFD on the ballot propositions of levying the special tax and establishing an appropriations limit therein.

6. If two-thirds of the votes cast at the special elections are in favor of each of the ballot propositions for each of the Facilities CFD and the Services CFD:

a. Adopt the Resolution certifying the results of the special election held within Improvement Area No. 1 of the Facilities CFD and directing the Executive Officer-Clerk of the Board to record a notice of special tax lien with respect to Area No. 1 of the Facilities CFD within 15 days of the special election in accordance with Government Code Section 53328.3.

b. Adopt the Resolution certifying the results of the special election held within the

Services CFD and directing the Executive Officer-Clerk of the Board to record a notice of special tax lien for the Services CFD within 15 days of the special election in accordance with Government Code Section 53328.3.

7. Introduce, waive reading, and place on the Board of Supervisors' agenda for adoption at the next available Board of Supervisors' meeting: (a) the Ordinance authorizing the levy of special taxes within Improvement Area No. 1 of the Facilities CFD and future improvement areas, and (b) the Ordinance authorizing the levy of special taxes within the Services CFD and the future annexation area.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the above recommendations will establish two separate CFDs in the Valencia area as described in the Resolutions, the Facilities CFD and the Services CFD; designate Improvement Area No. 1 (Area No. 1) within the Facilities CFD and the Future Annexation Area for each CFD; and find it necessary to incur bonded indebtedness within Area No. 1 of the Facilities CFD. The purpose of the Facilities CFD is to finance the purchase, construction, modification, expansion, and improvement or rehabilitation of public facilities in the Valencia Project, as described more fully below. The purpose of the Services CFD is to fund the costs of services permitted pursuant to Government Code Section 53313.

The Valencia Project is located approximately 35 miles northwest of downtown Los Angeles adjacent to the City of Santa Clarita. The project is a long-term master planned community that will require implementation of significant public infrastructure and facilities. The proposed plan for the entire project consists of approximately 25,000 dwelling units and 13 million square feet of commercial, industrial, and other non-residential uses. The dwelling units will include a broad range of housing types, including apartments, single-family attached and detached homes of various sizes, as well as affordable housing. The Valencia Project will also include approximately 10,000 acres of protected open space and a multitude of public facilities. The public facilities will consist of the following: park and recreation facilities, road/bridge improvements, median/parkway landscaping, storm drains, sewer improvements, water improvements, and water quality basins as further identified in the Resolution of Intention to Establish the Facilities CFD. Based on 2019 projections excluding inflation cost, it is estimated that the total cost of these public facilities will be approximately $1.236 billion.

The boundaries of the Services CFD consist of the entirety of Mission Village, which is part of the Newhall Ranch Specific Plan implemented by the Valencia Project. Mission Village is expected to consist of approximately 4,055 residential units and 1,555,100 square feet of non-residential space. The boundaries of the Facilities CFD consist of the first phase of Mission Village, which is expected to consist of approximately 1,268 residential units.

For the purpose of funding certain facilities, the County expects to enter into separate Joint Community Facilities Agreements (JCFAs) with the Owners, and each of the Santa Clarita Valley Water Agency, the Los Angeles County Flood Control District, and the Newhall Ranch Sanitation District of Los Angeles County. The JCFAs relating to the Facilities CFD will come before the Board for approval at a future meeting prior to execution. The purpose of the Services CFD is to fund certain public services within its boundaries, including park maintenance, roadway maintenance, public landscape maintenance, and water quality maintenance. Some of these services are provided by the Newhall Ranch High Country Recreation and Conservation Authority (High Country Authority), a joint powers authority comprised of the County of Los Angeles, the City of Santa Clarita, and the Santa Monica Mountains Conservancy. For purposes of funding these services through the

Services CFD, the Resolution approving the JCFA with the Owners and the High Country Authority has been submitted for Board approval.

The Resolutions establish the terms of the special tax for facilities within Area No. 1 of the Facilities CFD and for services within the Services CFD and determine the necessity for the Facilities CFD to issue bonds on behalf of Area No. 1 therein in an amount not to exceed $70,000,000. The terms governing special taxes within future annexation areas will be determined as the areas are annexed into the Facilities CFD and the Services CFD. The Resolutions also call for special elections to be conducted to (i) approve the levy of the special tax for each of the CFDs, (ii) approve the issuance of bonds for the Facilities CFD in an amount not to exceed $70,000,000, and (iii) approve an appropriations limit for each of the CFDs.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal #1: Operational Effectiveness/Fiscal Sustainability through the use of cost-effective financing to facilitate ongoing projects that improve the quality of life for County residents.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County. Costs of acquiring or constructing certain facilities and debt service payments on CFD bonds, when issued, will be paid from the special tax levy on the parcels in the Facilities CFD. The Owners have previously advanced funds to the County to pay for costs associated with analyzing and forming the CFDs pursuant to a Deposit and Reimbursement Agreement dated as of October 4, 2019. Such costs are reimbursable to the Owners if and when bonds are issued by the Facilities CFD.

Similar to the existing CFDs within the County, each year the Board will approve the special tax levy for the Facilities CFD in an amount sufficient to provide for the debt service on the Facilities CFD bonds, to pay administrative expenses and for a limited period of time, to pay directly for the costs of acquiring facilities. In connection with the Services CFD, the Board will annually approve the levy of the special tax in an amount sufficient to pay for the services and administrative expenses.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Mello-Roos Act was enacted by the State of California in 1982 to enable local governments to form CFDs to fund the construction, acquisition, operation, maintenance, or enhancement of certain public facilities and services. The Mello-Roos Act authorizes the issuance of bonds to finance public facilities, and the levying of special taxes to pay the debt service on CFD bonds and to provide funding for certain public services provided to property owners and residents within a CFD.

The CFD Policy requires the proponent of a CFD to present their application to the County Mello-Roos Task Force for review. The Task Force reviewed the Owners' proposal and concluded that it is consistent with Board policy, with recommended exceptions to the Policy to allow for an escalation of the annual debt service on bonds and the annual special tax to fund facilities and authorized services, and that the formation of the Facilities CFD and the Services CFD and the funding of certain public facilities and services thereby is appropriate.

The Valencia Project implements the Newhall Ranch Specific Plan adopted by the Board on May 27, 2003. Mission Village is one of five villages in the Newhall Ranch Specific Plan. On July 18, 2017, the Board certified that both the 2017 Recirculated Analysis and the 2011 Final

Environmental Impact Report for the Mission Village Project were adequate and complete under the California Environmental Quality Act (CEQA), that the documents reflected the independent judgement of the Board, and therefore, adopted the Supplemental CEQA Findings and Statement of Overriding Considerations for the Mission Village Project.

The Newhall Ranch Specific Plan requires that the Newhall Ranch Affordable Housing Program be implemented to provide for the direct inclusion of very low, low, and moderate income affordable housing opportunities as defined in the Specific Plan, and in accordance with the Specific Plan's Implementation of the Affordable Housing Program. A total of 2,200 affordable housing units are required to be provided within the Specific Plan Area (440 units very low income, 550 units low income, 1,210 units moderate income) as defined by the Specific Plan; the affordable units are required to be disbursed throughout the Specific Plan Area and constructed in pace with the overall residential development and pursuant to the Implementation of the Affordable Housing Program. The Board-approved Mission Village Project is required to provide 300 affordable housing units of the 2,200 total affordable housing units required for the Specific Plan Area. The applicant for the CFDs has clarified that although no affordable housing units are included in Area No. 1 of the proposed Facilities CFD, the required affordable housing units will be included in future Improvement Areas in the Facilities CFD. It is important to note that affordable housing units are included in the proposed Services CFD and are proposed to be exempt from the Services CFD special tax.

In accordance with the provisions of the Mello-Roos Act, a public hearing must be held for each CFD no less than 30 or more than 60 days after adoption of the Resolutions of Intention to establish the proposed CFDs, which were adopted by your Board on January 26, 2021. All landowners within the proposed CFDs were notified by mail of these hearings and notices were published in a local newspaper at least seven days prior to the public hearings.

After the public hearings, the Board may either approve or deny the formation of the proposed CFDs. If the Board adopts the Resolutions to form the CFDs, assuming there are 12 or fewer registered voters residing within the boundaries of the CFDs, landowner special elections will be held to approve bonded indebtedness, establish an appropriations limit, and levy special taxes. The County Registrar-Recorder/County Clerk has confirmed that there are no registered voters residing within the boundaries of either CFD. Accordingly, the special election will be a landowner election in which each landowner will have a vote for each acre or portion thereof of land it owns within the CFDs.

Pursuant to waivers of certain special election procedures executed by each of the property owners within the CFDs, the special elections can be held immediately following the close of the public hearings after the adoption of the Resolutions by the Board acting as the Legislative Body of each of the CFDs. If two-thirds of the votes cast are in favor of formation, then bonds can be issued for the Facilities CFD and a special tax will be levied to pay the resulting debt service, and special taxes can be levied in the Services CFD to pay for the costs of such authorized services. Following the adoption of the resolutions certifying the results of the special election held within each of the Facilities CFD and the Services CFD, the Ordinances authorizing the levy of the special taxes within each of the CFDs can be introduced and considered for adoption by the Board.

The County expects to enter into JCFAs for the Facilities CFD with the Owners, and each of the Newhall Ranch Sanitation District of Los Angeles County, the Los Angeles County Flood Control District and the Santa Clarita Valley Water Agency to finance public improvements to be owned by such public agencies after approval as to form by the Board at a future meeting. Additionally, the Board will be asked to approve an Acquisition, Funding and Disclosure Agreement among the County, the Facilities CFD and the Owners relating to the construction and acquisition of County owned facilities by the Owners and the reimbursement to the Owners from future bond proceeds of the costs of such facilities. It is anticipated that the Owners will request the County to initiate proceedings to issue bonds for Area No. 1 of the Facilities CFD before the end of calendar year 2021.

The determination to proceed with the formation of any CFD and/or provide for the issuance of CFD bonds is solely at the County's discretion. Any policy or goal stated herein may be supplemented or amended and any provision set forth in the County's CFD Policy may be waived or changed for a specific project with the Board's approval.

ENVIRONMENTAL DOCUMENTATION

The proposed actions are not subject to CEQA because they are activities that are excluded from the definition of a project by Section 21065 of the Public Resources Code, and Section 13578(b) of the State CEQA Guidelines. The proposed actions would create a government funding mechanism that does not involve any commitment to a specific project that may result in a potentially significant physical impact on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None. The levy of a special tax for services will pay the County's costs of providing certain public services for the Valencia Project. In addition, the County engaged an outside consultant to provide a Fiscal Impact Report that assessed the impact of the Valencia Project on the County's future revenues and expenditures. Specifically, the analysis estimated the cost to the County of providing various public services to the Valencia Project and the revenues that would be generated by the County from the development. In addition to the special tax revenues from the Services CFD, ongoing revenues from the development include property taxes, sales taxes, transient occupancy taxes, and utility user taxes, as well as user fees, charges for services, and other miscellaneous revenues. In summary, the report concluded that the Valencia Project will be fiscally neutral for the County and revenues generated by the project will offset the cost of the public services required.

CONCLUSION

Upon approval of the attached Resolutions, it is requested that the Executive Officer of the Board return executed copies to the Treasurer and Tax Collector and Regional Planning.

Respectfully submitted,

Amy J. Bodek, AICP
Director

KEITH KNOX
Treasurer and Tax Collector

KK:EBG:AJB:DW:TG:JW:ad

Enclosures

c: Sheriff
Chief Executive Office
Executive Officer, Board of Supervisors
County Counsel
Fire Department
Health Services
Los Angeles County Development Authority
Los Angeles County Library
Parks and Recreation
Public Works

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COUNTY OF LOS ANGELES

COMMUNITY FACILITIES DISTRICT REPORT
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA – FACILITIES)

Prepared for:

County of Los Angeles

500 West Temple Street, Los Angeles, CA 90012

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I INTRODUCTION

WHEREAS, the Board of Supervisors of the County of Los Angeles (hereinafter referred to as the "Board") did, pursuant to the provision of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2 of Title 5 (commencing with Section 53311) of the Government Code of the State of California (hereinafter referred to as the "Act"), and specifically Section 53321.5 thereof, expressly order the filing of a written "Report" with the legislative body of the proposed Community Facilities District ("CFD"). This CFD being County of Los Angeles CFD No. 2021-01 (Valencia-Facilities) shall hereinafter be referred to as:

"CFD No. 2021-01"; and,

WHEREAS, on January 26, 2021, the Board, pursuant to the Act, adopted a Resolution entitled "RESOLUTION OF INTENTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ESTABLISH COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES), TO AUTHORIZE THE LEVY OF SPECIAL TAXES TO PAY THE COSTS OF ACQUIRING OR CONSTRUCTING CERTAIN FACILITIES AND EXPENSES OF THE DISTRICT AND TO PAY DEBT SERVICE ON BONDED INDEBTEDNESS AND TO DESIGNATE FUTURE ANNEXATION AREA" (hereinafter referred to as the "Resolution of Intention") directing that the Report generally contain the following:

1. A brief description of the public facilities by type which will be required to adequately meet the needs of CFD No. 2021-01; and
2. An estimate of the cost of providing the public facilities, including an estimate of the fair and reasonable cost of the public facilities proposed to be purchased as completed public facilities and of the incidental expenses proposed to be paid.

WHEREAS, each officer of the County of Los Angeles (hereinafter referred to as the "County") who is or will be responsible for providing one or more of the proposed types of public facilities to be financed by CFD No. 2021-01 has hereby directed DTA, formerly David Taussig & Associates, to study the proposed CFD No. 2021-01 and, at or before the time of the public hearing on the establishment of CFD No. 2021-01, file the Report with the Board pursuant to the provisions of the Resolution of Intention.

NOW, THEREFORE, DTA does hereby submit the Report.

II PROJECT DESCRIPTION

CFD No. 2021-01 is located approximately 35 miles northwest of downtown Los Angeles adjacent to the City of Santa Clarita. The boundaries of CFD No. 2021-01 are coterminous with Improvement Area No. 1 and consist of the first phase of Mission Village, which is part of the Newhall Ranch Specific Plan (the "Project") and is expected to consist of approximately 1,268 residential units. The balance of the Project is included in the Future Annexation Area and may be annexed in phases to CFD No. 2021-01, as new separate improvement areas (each a "Future Improvement Area") by the submittal of the Unanimous Consent and Approval and the approval of the Board. The Unanimous Consent and Approval shall contain the rate and method of apportionment for the Future Improvement Area and the authorized bonded indebtedness for the Future Improvement Area. The annexation of the Future Annexation Area into Future Improvement Areas shall be conducted pursuant to the provisions of the Resolution of Formation, the Acquisition, Funding and Disclosure Agreement by and among the District, the County and The Newhall Land and Farming Company (A California Limited Partnership), and the Act.

The Project is a long-term master planned community that will require implementation of significant public infrastructure and facilities. The proposed plan for the entire Project consists of approximately 21,500 dwelling units and 11.5 million square feet of commercial, industrial, and other non-residential uses. The dwelling units will include a broad range of housing types, including apartments, single-family attached and detached homes of all sizes, and affordable housing. The Project will also include approximately 10,000 acres of protected open space and a multitude of public facilities. The public facilities will consist of any facility with a useful life of five years or more and that is required as a condition of development of the Project, including, but not limited to the following: park and recreation facilities, road/bridge improvements, median/parkway landscaping, storm drains, sewer improvements, water improvements, and water quality basins as further identified in the Resolution of Intention.

III DESCRIPTION AND ESTIMATED COSTS OF PUBLIC FACILITIES

A Description of Public Facilities

A community facilities district may provide for the purchase, construction, expansion, or rehabilitation of any real or tangible property, including public facilities and infrastructure improvements, with an estimated useful life of five (5) years or longer, which is necessary to meet increased demands placed upon local agencies as a result of development or rehabilitation occurring within the community facilities district. In addition, a community facilities district may pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay for any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the community facilities district. A CFD may also provide for financing of certain public services to meet these demands.

The facilities described in this Report are all facilities which the County or other local agencies are authorized to own, construct, or finance, and which are required, in part, to adequately meet the needs of CFD No. 2021-01 (as currently configured and as expanded with the annexation of property from the Future Annexation Area) and are described in the resolution establishing CFD No. 2021-01 (the "Resolution of Formation"). Because the actual needs of CFD No. 2021-01 arising as development progresses therein may differ from those currently anticipated, CFD No. 2021-01 reserves the right to modify the actual facilities proposed herein to the extent CFD No. 2021-01 deems necessary, in its sole discretion, to meet those needs. The Special Taxes required to pay for the construction or financing of said facilities will be apportioned as described in the Rate and Method of Apportionment.

CFD No. 2021-01, including Improvement Area No. 1 and each new Future Improvement Area (as defined herein) as originally designated and as designated in the future in conjunction with subsequent annexations of all or any part of the Future Annexation Area or other property, is authorized to finance all or a portion of the costs of acquisition, construction, and improvement of facilities permitted under the Act and that are required as a condition of development of the Project within CFD No. 2021-01, the Future Annexation Area, and any other property annexed to CFD No. 2021-01, including, but not limited to, the following facilities:

- Road Improvements (including but not limited to Magic Mountain Parkway, Commerce Center Drive, Westridge Parkway, Long Canyon Road, Valencia Boulevard, Legacy Village Road, Potrero Valley Road, Homestead South Road, Landmark Road, Chiquito Valley Road, The Old Road, Henry Mayo Drive, and Wolcott);
- Sewer Improvements (including but not limited to those included in the rights of way of the streets listed under Road Improvements above);
- Water Improvements (including but not limited to those included in the rights of way of the streets listed under Road Improvements above);

- Storm Drain Improvements (including but not limited to those included in the rights of way of the streets listed under Road Improvements above);
- Utility Improvements (including but not limited to those included in the rights of way of the streets listed under Road Improvements above);
- Median/Parkway Landscaping (including but not limited to those included in the rights of way of the streets listed under Road Improvements above);
- Water Quality Basins;
- Bridge Improvements;
- Improvements to SR 126;
- Interchanges, Bridges, and Pedestrian Bridges;
- Public Parks;
- Libraries;
- Fire Stations;
- Potable and Recycled Water Distribution Facilities;
- Wastewater Reclamation Plant, including site acquisition, site development and facility improvements;
- Utility Corridors; and
- Trails and Landscaping.

The facilities authorized to be financed may be located within or outside the boundaries of CFD No. 2021-01 or any Improvement Area (as originally designated and as designated in the future in conjunction with subsequent annexations of all or any part of the Future Annexation Area or any other property).

B Estimated Costs of Public Facilities

The estimated cost of facilities currently expected to be financed through CFD No. 2021-01 is approximately $1.236 billion in 2020 dollars. The cost is an estimate only and actual costs may differ from those estimates herein. As previously referenced, it is intended that CFD No. 2021-01 will be authorized to finance all or a portion of the costs of any of the public facilities listed in Section III.A above.

IV BONDED INDEBTEDNESS AND INCIDENTAL EXPENSES

A Projected Bond Sales

The maximum authorized bonded indebtedness for Improvement Area No. 1 of CFD No. 2021-01 is $70,000,000.

The maximum authorized bonded indebtedness for any Future Improvement Area(s) to be annexed into CFD No. 2021-01 will be set forth in the Unanimous Consent and Approval (as defined in the Resolution of Formation) and approved by the Board at the time of annexation.

B Incidental Bond Issuance Expenses to be Included in the Proposed Bonded Indebtedness

Pursuant to Section 53345.3 of the Act, bonded indebtedness may include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the proposed debt is to be incurred, including, but not limited to, the estimated costs of construction or acquisition of buildings, or both; acquisition of land, rights-of-way, water, sewer, or other capacity or connection fees; satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued, architectural, engineering, inspection, legal, fiscal, and financial consultant fees; bond and other reserve funds; discount fees; interest on any bonds of the district estimated to be due and payable within two years of issuance of the bonds; election costs; and all costs of issuance of the bonds, including, but not limited to, fees for bond counsel, disclosure counsel and the County's general counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs. For the Bonds proposed to be issued by CFD No. 2021-01 for Improvement Area No. 1, the reserve requirement is estimated at approximately 10% of the principal amount of Bonds, capitalized interest is estimated at approximately 5% of the principal amount of Bonds, and all other incidental bond issuance expenses are estimated at approximately 4% of the principal amount of Bonds. Actual bond issuance expenses, including the amount of Bond funded capitalized interest, may vary from the above estimates.

C Incidental Expenses to be Included in the Annual Levy of Special Taxes

Pursuant to Section 53340 of the Act, the proceeds of any special tax may only be used to pay, in whole or in part, the costs of providing public facilities, services, and incidental expenses. As defined by the Act, incidental expenses include, but are not limited to, the costs of planning and designing public facilities to be financed, including the costs of environmental evaluations of those public facilities; the costs associated with the creation of the district, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the district; any other expenses incidental to the construction, completion, and inspection of the authorized work; and the costs associated with the retirement of existing bonded indebtedness. While the actual costs of administering CFD No. 2021-01 may vary, it is anticipated that the amount of Special Taxes which can be collected in Improvement Area No. 1 will be sufficient to fund at least $75,000 in annual administrative expenses with respect to Improvement Area No. 1. While the actual costs of administering CFD No. 2021-01 may vary, it is anticipated that the amount of special taxes which can be collected in a Future Improvement Area will be sufficient to fund at least $75,000 in annual administrative expenses with respect to such Improvement Area.

V RATE AND METHOD OF APPORTIONMENT

The property located within Improvement Area No. 1 of CFD No. 2021-01, unless exempted by law or by the Rate and Method of Apportionment (defined below), shall be taxed for the purpose of funding public facilities authorized to be financed by CFD No. 2021-01. Pursuant to Section 53325.3 of the Act, the tax imposed "is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The special tax "may be based on benefit received by parcels of real property, the costs of making authorized facilities or authorized services available to each parcel or other reasonable basis as determined by the legislative body," although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIIIA of the California Constitution.

The rate and method of apportionment of the special tax (the "Rate and Method of Apportionment") proposed to be levied within Improvement Area No. 1 of CFD No. 2021-01 is described in Exhibit B to the Resolution of Intention. This proposed Rate and Method of Apportionment, also provided as Appendix A hereto, provides information sufficient to allow each property owner within Improvement Area No. 1 of CFD No. 2021-01 to estimate the maximum annual Special Tax he or she will be required to pay.

Sections A through D below provide additional information on the Rate and Method of Apportionment.

The rate and method of apportionment for each Future Improvement Area will be set forth in the Unanimous Consent and Approval submitted in conjunction with each annexation of all or any part of the Future Annexation Area or any other property, to CFD No. 2021-01.

A Explanation of Special Tax Apportionment

When a CFD is formed, a special tax may be levied on each parcel of taxable property within the CFD to pay for the construction, acquisition, and rehabilitation of public facilities, to pay for authorized services or to repay bonded indebtedness or other related expenses incurred by a CFD. This special tax must be apportioned in a reasonable manner; however, the tax may not be apportioned on an ad valorem basis.

When more than one type of land use is present within a CFD, several criteria may be considered when apportioning the special tax. Generally, criteria based on building square footage, acreage, and land use are selected, and categories based on such criteria are established to differentiate between parcels of property. These categories are a direct result of the projected product mix and are reflective of the proposed land use types within that CFD. Specific special tax levels are assigned to each land use class, with all parcels within a land use class assigned the same special tax rate.

The Act does not require that special taxes be apportioned to individual parcels based on benefit received.

The major assumption inherent in the Special Tax rates set forth in the Rate and Method of

Apportionment is that the level of benefit received from the proposed public facilities and services is a function of land use and/or product type. This assumption is borne out through an examination of commonly accepted statistical measures for public facility usage.

For example, in measuring average weekday vehicle trip-ends, the Institute of Transportation Engineer's Trip Generation manual identifies land use as the primary determinant of trip-end magnitude. Larger residential dwelling units typically generate a greater number of trip-ends than do smaller residential dwelling units, and therefore, will tend to receive more benefit from road grading, road landscaping and road improvements.

Drainage and flood control requirements generally vary with the amount of impervious ground cover per parcel. It follows that large homes situated on large lots have more impervious ground cover which will create more drainage flows than that of smaller homes situated on smaller lots.

Sewer treatment costs are based on plant capacity to treat Biochemical Oxygen Demand ("BOD"), Suspended Solids ("SS"), and the flow rate. Other variables for water and sewer requirements include storage and fire flow requirements, as well as the number of bathrooms and fixture units in the home and the population of the household, which tends to vary directly with the size of the dwelling unit.

In addition, larger buildings typically generate a greater number of "person hours," or the number of hours per week that residents associated with a specific type of land use could potentially use park and recreation facilities or require the need for the proposed public services.

Therefore, Special Tax rates have been established for residential and non-residential land use classes for Improvement Area No. 1 of CFD No. 2021-01. In addition, to ensure fairness, the Special Tax rates are uniformly applied within each land use class. The Special Tax for a parcel of Residential Property in Improvement Area No. 1 of CFD No. 2021-01 will vary directly based on the type of use and the amount of Residential Floor Area for each residential dwelling unit on such parcel. The Special Tax for Non-Residential Property, if any, in Improvement Area No. 1 of CFD No. 2021-01 will vary directly with the acreage of such parcel.

Based on the types of public facilities and services that are proposed for Improvement Area No. 1 of CFD No. 2021-01 and the factors described above, the Special Taxes assigned to Developed Property are generally proportionate to the relative uses of such facilities, and, accordingly, the Special Taxes in Improvement Area No. 1 of CFD No. 2021-01 can be considered fair and reasonable.

B Assigned and Maximum Special Tax Rates

Table 1 within the Rate and Method of Apportionment lists the Assigned Special Tax that may be levied on each Assessor's Parcel classified as Developed Property within Improvement Area No. 1 of CFD No. 2021-01 to fund the Special Tax Requirement. The Special Tax for an Assessor's Parcel of Developed Property cannot exceed the rates shown in such Table 1, except when the Backup Special Tax is applied as discussed in Section V.C below. In addition, the Maximum Special Tax for each Assessor's Parcel of Final Mapped Property is shown in Section C.2 of the Rate and Method of Apportionment and the Maximum Special Tax for each Assessor's Parcel of Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property is shown in Section C.3 of the Rate and Method of Apportionment.

On each July 1, commencing July 1, 2022, the Maximum Special Tax for Developed Property, Final Mapped Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

C Backup Special Tax

Pursuant to the Rate and Method of Apportionment, the Maximum Special Tax for each Assessor's Parcel classified as Developed Property is the greater of (i) the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

Pursuant to the Rate and Method of Apportionment, the aggregate Backup Special Tax attributable to property within a Final Map shall equal the lesser of (a) the amount per Acre of each such Final Map as show in Table 2 of the Rate and Method of Apportionment, and (b) the amount in connection with any reduction in the Assigned Special Tax as set forth in Section H of the Rate and Method of Apportionment.

For each Final Map, the Backup Special Tax shall be calculated according to the following formula:

- Backup Special Tax for Residential Property per Dwelling Unit = ((Backup Special Tax) X (Acreage of all Assessor's Parcels of Residential Property in Final Map)) / (Number of Dwelling Units of Residential Property in Final Map).
- Backup Special Tax for Non-Residential Property and Apartment Property in a Final Map for Fiscal Year 2021-2022 shall be $30,103 per Acre.

On each July 1, commencing July 1, 2022, the Backup Special Tax for each Final Map shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

D Accuracy of Information

In order to establish the Maximum Special Tax rates for Improvement Area No. 1 of CFD No. 2021-01 as set forth in the Rate and Method of Apportionment, DTA has relied on information including, but not limited to, absorption, land-use types, building square footage, and net taxable acreage provided to it by others. DTA has not independently verified such data and disclaims responsibility for the impact of inaccurate data, if any, on the Rate and Method of Apportionment for Improvement Area No. 1 of CFD No. 2021-01, including the inability to meet the financial obligations within Improvement Area No. 1 of CFD No. 2021-01.

VI BOUNDARIES OF THE CFD

The boundaries of Improvement Area No. 1 of CFD No. 2021-01 include all land on which the Special Taxes may be levied. The recorded map of Improvement Area No. 1 is included as Appendix B. In addition, the map included as Appendix B also shows the boundaries of the Future Annexation Area.

VII GENERAL TERMS AND CONDITIONS

A Substitution of Facilities

The descriptions of the public facilities, as set forth herein, are general in their nature. The County will determine the final nature, location, and costs of facilities upon the preparation of final plans and specifications. The final plans may show substitutes, in lieu of modifications to the proposed work in order to accomplish the work of improvement, and any such substitution shall not be a change or modification in the proceedings as long as the public facilities provide a service substantially similar to that as set forth in this Report.

B Appeals and Interpretations

Pursuant to Section F of the Rate and Method of Apportionment, any landowner or resident who feels that the amount of the Special Tax levied on his/her Assessor's Parcel is in error may submit a written appeal to the CFD Administrator, provided that the appellant is current in his/her payment of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, a cash refund shall not be made (except for the last year of levy), but the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the Board Clerk, provided that the appellant is current in his/her payment of Special Taxes. This second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator shall interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the CFD Administrator shall be subject to appeal to the Board whose decision shall be final and binding as to all persons.

C Prepayment of Special Tax

The Special Tax applicable to an Assessor's Parcel in CFD No. 2021-01 may be prepaid according to the prepayment provisions identified in Section G of the Rate and Method of Apportionment.

APPENDIX A

County of Los Angeles
Community Facilities District Report
Community Facilities District No. 2021-01 (Valencia-Facilities)

RATE AND METHOD OF APPORTIONMENT

RATE AND METHOD OF APPORTIONMENT
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
IMPROVEMENT AREA NO. 1

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 1 ("IA No. 1") of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) ("CFD No. 2021-01 (IA No. 1)") and collected each Fiscal Year commencing in Fiscal Year 2021-2022, in an amount determined by the Board, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2021-01 (IA No. 1), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the number of acres within a Plot of Land as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2021-01 (IA No. 1): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the County or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the County, CFD No. 2021-01 (IA No. 1) or any designee thereof of complying with arbitrage rebate requirements; the costs to the County, CFD No. 2021-01 (IA No. 1) or any designee thereof of complying with County, CFD No. 2021-1 (IA No. 1), major property owner, or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the County, CFD No. 2021-01 (IA No. 1), or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; and the County's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the County or CFD No. 2021-01 (IA No. 1) for any other administrative purposes of CFD No. 2021-01 (IA No. 1), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.

"Apartment Floor Area" means the total building square footage of Apartment Property, measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two sides, as determined by reference to the Building Permit(s) issued for that Assessor's Parcel, or if these are not available, as otherwise determined by the CFD Administrator.

"Apartment Property" means Assessor's Parcels for which Building Permits have been issued for Dwelling Units located in a building or buildings comprised of Dwelling Units available for rent, but not purchase, by the general public and under common management.

"Assessor's Parcel" means any real property to which an Assessor's Parcel Number is assigned as shown on an Assessor's Parcel Map.

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

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C below.

"Attached Property" means, in any Fiscal Year, all Residential Property for which Building Permits were issued for construction of a residential structure consisting of two or more Dwelling Units that share common walls, including garage walls. Dwelling Units to be included in this category shall include, but not be limited to, townhomes, condominiums, triplex units, and duplex units. Dwelling Units on Apartment Property shall be excluded from this category.

"Authorized Facilities" means the facilities authorized to be financed by CFD No. 2021-01 (IA No. 1).

"Backup Special Tax" means the Special Tax of that name described in Section C below.

"Board" means the Board of Supervisors of the County.

"Bonds" means any bonds or other debt as defined in Section 53317(d) of the Act, whether in one or more series, issued by CFD No. 2021-01 (IA No. 1) under the Act.

"Boundary Map" means a recorded map which indicates the boundaries of CFD No. 2021-01 (IA No. 1).

"Building Permit" means the first legal document issued by the County giving official permission for the construction of a building on an Assessor's Parcel. For purposes of this definition and application of the Special Tax, "Building Permit" may or may not include any subsequent building permits issued or changed after the first issuance, as determined by the CFD Administrator.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"CFD Administrator" means an official of the County, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD Formation" means the date on which the Board approved documents to form CFD No. 2021-01 (IA No. 1).

"CFD No. 2021-01 (IA No. 1)" means the County of Los Angeles Community Facilities District No. 2021-01 (IA No. 1) (Valencia–Facilities).

"Cluster Property" means Assessor's Parcels of Developed Property for which Building Permits have been issued for Dwelling Units that are or are expected to (i) share a lot, designated by a Final Map, with one or more Dwelling Units; and (ii) be surrounded by freestanding walls and that do not share an inside wall with any other Dwelling Unit, as determined by the CFD Administrator. Dwelling Units to be included in this category shall include, but not be limited to, 3-Pack units, 8-Pack units, and 10-Pack units.

"County" means the County of Los Angeles.

"Detached Property" means Assessor's Parcels of Developed Property for which Building Permits have been issued for Dwelling Units that are or are expected to be (i) each located on a separate lot designated by a Final Map, and (ii) surrounded by freestanding walls and that do not share an inside wall with any other Dwelling Unit, as determined by the CFD Administrator.

"Developed Property" means, for each Fiscal Year, all Taxable Property located within a Final Map that was recorded as of January 1 of the prior Fiscal Year, for which a Building Permit was issued prior to May 1 of the prior Fiscal Year.

"Dwelling Unit" means one residential unit of any configuration, including, but not limited to, a single-family attached or detached dwelling, condominium, apartment, mobile home, or otherwise, excluding hotels and motels.

"Exempt Welfare Property" means, for each Fiscal Year, an Assessor's Parcel that is (a) receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County's assessor's roll finalized as of January 1 of the previous Fiscal Year, and (b) exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds any Assessor's Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute) shall not be classified as Exempt Welfare Property and will be subject to the Special Tax.

"Final Map" means (i) a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots or parcels for which Building Permits may be issued without further subdivision, or (ii) for condominiums, a final map approved by the County and a condominium plan recorded pursuant to California Civil Code Section 4285 creating such individual lots or parcels.

"Final Mapped Property" means all Assessor's Parcels of Taxable Property: (i) that are included in a Final Map recorded prior to the January 1st preceding the Fiscal Year in which the Special Tax is being levied; and (ii) for which a Building Permit has not been issued on or before May 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Improvement Area No. 1" or **"IA No. 1"** means Improvement Area No. 1 of CFD No. 2021-01 (IA No. 1).

"Indenture" means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"Land Use Class" means any of the categories listed in Table 1 herein.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel within CFD No. 2021-01 (IA No. 1).

"Non-Residential Floor Area" means the total building square footage of the non-residential building(s) located on an Assessor's Parcel, measured from outside wall to outside wall, not including space devoted to stairwells, public restrooms, lighted courts, vehicle parking and areas incident thereto, and mechanical equipment incidental to the operation of such building. The determination of Non-Residential Floor Area shall be made by reference to the Building Permit(s) issued for such Assessor's Parcel and/or to the appropriate records kept by the County, as reasonably determined by the CFD Administrator.

"Non-Residential Property" means all Assessor's Parcels of Taxable Property for which a Building Permit(s) was issued for a non-residential use. The CFD Administrator shall make the determination if an Assessor's Parcel is Non-Residential Property.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Indenture.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel, as described in Section G,2.

"Plot of Land" means with respect to an Assessor's Parcel, the entire physical land area described on the first sheet of the applicable book and page of the Assessor's Parcel Map on which such Assessor's Parcel is identified.

"Prepayment Amount" means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel, as described in Section G.1.

"Property Owner's Association" means, collectively, any property owner association or homeowners association, including any master- or sub-association, created for CFD No. 2021-01 (IA No. 1).

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2021-01 (IA No. 1) that was owned by (i) a Property Owner Association, as of January 1 of the prior Fiscal Year, or (ii) a transportation management organization, as of January 1 of the prior Fiscal Year.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property. For Taxable Property Owner Association Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Taxable Property Owner Association Property. For Taxable Public Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Taxable Public Property.

"Public Property" means, for each Fiscal Year, any property within CFD No. 2021-01 (IA No. 1) that is owned by, irrevocably offered for dedication to, or dedicated to the federal government, the State, the County, or any other public agency as of June 30 of the prior Fiscal Year; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a public agency, the property owner shall notify the CFD Administrator in writing of such acquisition, offer, or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

"Rate and Method of Apportionment" means this Rate and Method of Apportionment of Special Taxes, County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities).

"Residential Floor Area" means all of the square footage of living area within the perimeter of a Dwelling Unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The CFD Administrator shall determine the Residential Floor Area based upon the Building Permit(s) issued for such Dwelling Unit.

"Residential Property" means Developed Property, exclusive of Apartment Property, for which a Building Permit has been issued for purposes of constructing one or more Dwelling Units.

"Special Tax" means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds to the extent such establishment or replenishment has not been included in a computation of the Special Tax Requirement in a previous Fiscal Year; (v) pay directly for the acquisition or construction of Authorized Facilities to the extent that inclusion of such amount does not increase the Special Tax levy on Final Mapped Property or Undeveloped Property; and (vi) pay for reasonably anticipated Special Tax delinquencies based on the historical delinquency rate for CFD No. 2021-01 (IA No. 1) as determined by the CFD Administrator; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2021-01 (IA No. 1) which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt pursuant to Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

"Total Floor Area" means the sum of the Residential Floor Area and the Non-Residential Floor Area located on an Assessor's Parcel.

"Trustee" means the trustee or fiscal agent under the Indenture.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property, Final Mapped Property, Public Property, or Property Owner's Association Property.

B ASSIGNMENT TO LAND USE CLASSES

Each Fiscal Year, beginning with Fiscal Year 2021-2022, each Assessor's Parcel of Taxable Property shall be classified as Developed Property, Final Mapped Property, Undeveloped Property, Public Property and/or Property Owner's Association Property.

Assessor's Parcels of Developed Property shall further be classified as Residential Property, Apartment Property, or Non-Residential Property. Each Assessor's Parcel of Residential Property shall then be classified as a Detached Property, Cluster Property, or Attached Property. Each Assessor's Parcel of Detached Property, Cluster Property, or Attached Property shall be further categorized into Land Use Classes based on its Residential Floor Area and assigned the appropriate Assigned Special Tax rate.

The determination of the Residential Floor Area shall be made by reference to the original Building Permit issued for the Dwelling Unit of an Assessor's Parcel. The Building Permit may include any subsequent document(s) authorizing new construction on an Assessor's Parcel that are issued or changed by the County after the original issuance, as determined by the CFD Administrator as necessary to fairly allocate Special Tax to the Assessor's Parcel, provided that following such determination the Maximum Special Tax that may be levied on all Assessor's Parcels of Taxable Property in each year will be at least 1.1 times annual debt service on all outstanding Bonds plus the estimated annual Administrative Expenses in each year.

C MAXIMUM SPECIAL TAX RATE

C.1 Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax and (ii) the amount derived by application of the Backup Special Tax.

C.1.a Assigned Special Tax

Each Fiscal Year, each Assessor's Parcel of Detached Property, Cluster Property, Attached Property, Apartment Property, and Non-Residential Property shall be subject to an Assigned Special Tax. The Fiscal Year 2021-2022 Assigned Special Tax applicable to an Assessor's Parcel of Developed Property shall be determined pursuant to Table 1 below.

Table 1: Fiscal Year 2021-2022 Assigned Special Taxes for Developed Property

Land Use Class	Description	Assigned Special Tax
1	DETACHED PROPERTY (>= 4,201 SF)	$5,806 PER DWELLING UNIT
2	DETACHED PROPERTY (4,001 - 4,200 SF)	$5,579 PER DWELLING UNIT
3	DETACHED PROPERTY (3,801 - 4,000 SF)	$5,353 PER DWELLING UNIT
4	DETACHED PROPERTY (3,601 - 3,800 SF)	$5,127 PER DWELLING UNIT
5	DETACHED PROPERTY (3,401 - 3,600 SF)	$4,901 PER DWELLING UNIT
6	DETACHED PROPERTY (3,201 - 3,400 SF)	$4,675 PER DWELLING UNIT
7	DETACHED PROPERTY (3,001 - 3,200 SF)	$4,449 PER DWELLING UNIT
8	DETACHED PROPERTY (2,801 - 3,000 SF)	$4,223 PER DWELLING UNIT
9	DETACHED PROPERTY (2,601 - 2,800 SF)	$3,996 PER DWELLING UNIT
10	DETACHED PROPERTY (< 2,601 SF)	$3,657 PER DWELLING UNIT
11	CLUSTER PROPERTY (>= 3,101 SF)	$4,081 PER DWELLING UNIT
12	CLUSTER PROPERTY (2,901 - 3,100 SF)	$3,779 PER DWELLING UNIT
13	CLUSTER PROPERTY (2,701 - 2,900 SF)	$3,477 PER DWELLING UNIT
14	CLUSTER PROPERTY (2,501 - 2,700 SF)	$3,175 PER DWELLING UNIT
15	CLUSTER PROPERTY (2,301 - 2,500 SF)	$2,873 PER DWELLING UNIT
16	CLUSTER PROPERTY (2,101 - 2,300 SF)	$2,571 PER DWELLING UNIT
17	CLUSTER PROPERTY (1,901 - 2,100 SF)	$2,269 PER DWELLING UNIT
18	CLUSTER PROPERTY (1,701 - 1,900 SF)	$1,967 PER DWELLING UNIT
19	CLUSTER PROPERTY (1,501 - 1,700 SF)	$1,665 PER DWELLING UNIT
20	CLUSTER PROPERTY (< 1,501 SF)	$1,363 PER DWELLING UNIT
21	ATTACHED PROPERTY (>= 2,451 SF)	$2,536 PER DWELLING UNIT
22	ATTACHED PROPERTY (2,301 - 2,450 SF)	$2,373 PER DWELLING UNIT
23	ATTACHED PROPERTY (2,151 - 2,300 SF)	$2,165 PER DWELLING UNIT
24	ATTACHED PROPERTY (2,001 - 2,150 SF)	$2,007 PER DWELLING UNIT
25	ATTACHED PROPERTY (1,851 - 2,000 SF)	$1,876 PER DWELLING UNIT
26	ATTACHED PROPERTY (1,701 - 1,850 SF)	$1,719 PER DWELLING UNIT
27	ATTACHED PROPERTY (1,551 - 1,700 SF)	$1,546 PER DWELLING UNIT
28	ATTACHED PROPERTY (1,401 - 1,550 SF)	$1,401 PER DWELLING UNIT
29	ATTACHED PROPERTY (1,251 - 1,400 SF)	$1,216 PER DWELLING UNIT
30	ATTACHED PROPERTY (1,101 - 1,250 SF)	$1,101 PER DWELLING UNIT
31	ATTACHED PROPERTY (951 - 1,100 SF)	$886 PER DWELLING UNIT
32	ATTACHED PROPERTY (801 - 950 SF)	$776 PER DWELLING UNIT
33	ATTACHED PROPERTY (651 - 800 SF)	$555 PER DWELLING UNIT
34	ATTACHED PROPERTY (< 651 SF)	$445 PER DWELLING UNIT
35	APARTMENT PROPERTY	$0.51 PER APARTMENT FLOOR AREA
36	NON-RESIDENTIAL PROPERTY	$0.31 PER NON-RESIDENTIAL FLOOR AREA

On each July 1, commencing on July 1, 2022, the Assigned Special Tax rates in Table 1 shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

C.1.b Backup Special Tax

i. The Backup Special Tax for a Final Map, in Fiscal Year 2021-2022, shall equal the lesser of (a) the amount per Acre for each such Final Map as shown in Table 2 below, and (b) the amount in connection with any reduction in the Assigned Special Tax as set forth in Section H herein.

Table 2: Fiscal Year 2021-2022 Backup Special Tax

Final Map	Backup Special Tax
61101-05	$26,892 PER ACRE
61105-01	$28,010 PER ACRE
61105-02	$29,719 PER ACRE
61105-03	$29,591 PER ACRE
61105-04	$38,311 PER ACRE
61105-06	$24,185 PER ACRE
61105-07	$31,038 PER ACRE
61105-08	$45,167 PER ACRE
61105-09	$33,303 PER ACRE
61105-10	$20,689 PER ACRE
61105-11	$34,011 PER ACRE
61105-12	$35,093 PER ACRE
61105-13	$33,038 PER ACRE
61105-14	$33,375 PER ACRE
61105-15	$46,192 PER ACRE
61105-16	$27,915 PER ACRE
61105-18	$23,969 PER ACRE
61105-19	$32,884 PER ACRE
61105-20	$26,254 PER ACRE
61105-21	$25,083 PER ACRE
ALL OTHER FINAL MAPS	$30,103 PER ACRE

For each Final Map identified in Table 2 above, the Backup Special Tax for Residential Property shall be calculated according to the following formula:

- Backup Special Tax for Residential Property per Dwelling Unit = ((Backup Special Tax) X (Acreage of all Assessor's Parcels of Residential Property in Final Map)) / (Number of Dwelling Units of Residential Property in Final Map).
- The Backup Special Tax for Non-Residential Property and Apartment Property in a Final Map for Fiscal Year 2021-2022 shall be $30,103 per Acre.

On each July 1, commencing July 1, 2022, the Backup Special Tax for each Final Map shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

ii. Furthermore, all Assessor's Parcels within CFD No. 2021-01 (IA No. 1) shall be relieved simultaneously and permanently from the obligation to pay and disclose the Backup Special Tax if the CFD Administrator calculates that the annual debt service required for the Outstanding Bonds, when compared to the Assigned Special Tax that shall be levied against all Assessor's Parcels of Developed Property in CFD No. 2021-01 (IA No. 1), results in 110% debt service coverage (i.e., the Assigned Special Tax that shall be levied against all Developed Property in CFD No. 2021-01 (IA No. 1) in each remaining Fiscal Year based on the then existing development is at least equal to the sum of (a) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year, and (b) the Administrative Expenses as defined in Section A herein), and all authorized Bonds have already been issued or the County has covenanted that it shall not issue any additional Bonds (except refunding bonds) to be supported by the Assigned Special Taxes in CFD No. 2021-01 (IA No. 1).

C.2 Final Mapped Property

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property expected to be classified as Residential Property shall be the Backup Special Tax computed pursuant to Section C.1.b above.

On each July 1, commencing July 1, 2022, the Maximum Special Tax for Final Mapped Property shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

C.3 Undeveloped Property, Taxable Property Owner Association Property, and/or Taxable Public Property.

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property shall be $30,103 per Acre.

On each July 1, commencing July 1, 2022, the Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

C.4 Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The annual Maximum Special Taxes levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes for all Land Use Classes located on that Assessor's Parcel. If an Assessor's Parcel of Developed Property includes either Apartment Property or Non-Residential Property, the Acreage to be assigned to such property for purposes of establishing the Special Tax shall be an amount proportional to the Total Floor Area associated with Apartment Property or Non-Residential Property, as applicable. Furthermore, for a condominium plan, if only a portion of its Building Permits have been issued, the remaining portion of the condominium plan shall be considered Final Mapped Property. The CFD Administrator's allocation to each type of property shall be final.

D APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2021-2022 and for each following Fiscal Year, the Board shall determine the Special Tax Requirement and shall levy the Special Tax until the total Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied (i) on each Assessor's Parcel of Developed Property at 100% of the applicable Assigned Special Tax rates until the earlier of (a) the Fiscal Year following the issuance of the last series of Bonds secured by the Special Tax, (b) the third Fiscal Year following the Fiscal Year in which the first series of Bonds secured by the Special Tax were issued, and (c) the fifth Fiscal Year following the Fiscal Year in which the Special Tax were first levied; and (ii) thereafter, Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax rates to satisfy the Special Tax Requirement.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property at up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Third: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Fourth: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Sixth: If additional moneys are needed to satisfy the Special Tax Requirement after the first five steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Notwithstanding the above, under no circumstances will the Special Taxes levied in any Fiscal Year against any Assessor's Parcel of Residential Property as a result of a delinquency in the payment of the Special Tax applicable to any other Assessor's Parcel be increased by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default.

E EXEMPTIONS

No Special Tax shall be levied on up to 77.90 Acres of Property Owner Association Property or Public Property in CFD No. 2021-01 (IA No. 1). Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in CFD No. 2021-01 (IA No. 1) becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Special Tax.

Property Owner Association Property or Public Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth step and sixth step in Section D above, respectively, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property or Taxable Public Property.

In addition, no special tax shall be levied on welfare property. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds any Assessor's Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute) shall not be classified as Exempt Welfare Property and will be subject to the Special Tax.

F APPEALS AND INTERPRETATIONS

Any taxpayer may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the clerk of the Board, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for the disagreement with the CFD Administrator's determination.

Interpretations may be made by the Board by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G PREPAYMENT

The following additional definitions apply to this Section G:

> **"CFD Public Facilities"** means $45,663,349 or such lower amount (i) authorized by the Board to provide the public facilities to be funded under CFD No. 2021-01 (IA No. 1), or (ii) determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by the Special Tax levied under this Rate and Method of Apportionment.
>
> **"Construction Fund"** means a fund held by the Trustee to fund CFD Public Facilities.
>
> **"Future Facilities Cost"** means the CFD Public Facilities minus public facility costs previously funded, or that can be funded from funds in the Construction Fund.
>
> **"Outstanding Bonds"** means all previously issued Bonds secured by the levy of the

Special Tax which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of the Special Tax.

G.1 Prepayment in Full

The Maximum Special Tax obligation may be prepaid and permanently satisfied for (i) Assessor's Parcels of Developed Property, (ii) Assessor's Parcels of Final Mapped Property or Undeveloped Property for which a Building Permit has been issued, (iii) Assessor's Parcels of Final Mapped Property or Undeveloped Property for which a Building Permit has not been issued; and (iv) Assessor's Parcels of Public Property or Property Owner's Association Property that are not exempt pursuant to Section E. The Maximum Special Tax obligation applicable to an Assessor's Parcel may be fully prepaid and the obligation to pay the Special Tax for such Assessor's Parcel permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Maximum Special Tax obligation for such Assessor's Parcel shall provide the CFD Administrator with written notice of intent to prepay, and within 5 business days of receipt of such notice, the CFD Administrator shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 2021-01 (IA No. 1) in calculating the Prepayment Amount (as defined below) for the Assessor's Parcel. Within 15 days of receipt of such non-refundable deposit, the CFD Administrator shall notify such owner of the Prepayment Amount for the Assessor's Parcel. Prepayment must be made not less than 60 days prior to the redemption date for any Bonds to be redeemed with the proceeds of such Prepayment Amount.

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

Prepayment Amount	
Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
less	Capitalized Interest Credit
Total: equals Special Tax Prepayment Amount	

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

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For an Assessor's Parcel of Developed Property, compute the Maximum Special Tax for the Assessor's Parcel. For an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a Building Permit has been

issued, compute the Maximum Special Tax for the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has been issued for the Assessor's Parcel. For an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a Building Permit has not been issued, Public Property or Property Owner's Association Property to be prepaid, compute the Maximum Special Tax for the Assessor's Parcel.

3. Divide the Maximum Special Tax derived pursuant to paragraph 2 by the total amount of Special Taxes that could be levied at the Maximum Special Tax at build out of all Assessor's Parcels of Taxable Property based on the applicable Maximum Special Tax for Assessor's Parcels of Developed Property not including any Assessor's Parcels for which the Special Tax obligation has been previously prepaid.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Determine the Future Facilities Cost.
7. Multiply the quotient derived pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to determine the amount of Future Facilities Costs for the Assessor's Parcel, which amount shall not be less than $0 (the "Future Facilities Amount").
8. Determine the amount needed to pay interest on the Bond Redemption Amount from the first bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds on which Bonds can be redeemed from the Prepayment Amount.
9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Determine the amount the CFD Administrator reasonably expects to derive from the investment of the Bond Redemption Amount and the Redemption Premium from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the Prepayment Amount.
11. Add the amounts derived pursuant to paragraphs 8 and 9 and subtract the amount derived pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 2021-01 (IA No. 1), including the cost of computation of the Prepayment Amount, the cost to invest the Prepayment Amount, the cost of redeeming the Outstanding Bonds, and the cost of recording notices to evidence the prepayment of the Maximum Special Tax obligation for the Assessor's Parcel and the redemption of Outstanding Bonds (the "Administrative Fees and Expenses").
13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of:

(a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the Prepayment Amount, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the Prepayment Amount from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.

14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest payment following the current Fiscal Year, the capitalized interest credit (the "Capitalized Interest Credit") shall be calculated by multiplying the quotient derived pursuant to paragraph 3 by the expected balance in the capitalized interest account after such first interest payment.
15. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance Amount and the Administrative Fees and Expenses, less the Reserve Fund Credit, less the Capitalized Interest Credit.
16. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds or make debt service payments. The Future Facilities Amount shall be deposited into the Construction Fund. The Administrative Fees and Expenses shall be retained by CFD No. 2021-01 (IA No. 1).

The Prepayment Amount may not be sufficient to redeem an aggregate principal amount of Outstanding Bonds which is equally divisible by $5,000. In such event, the increment above $5,000 or an integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next redemption from other Special Tax prepayments of Outstanding Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined pursuant to paragraph 9 above, the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for the Assessor's Parcel from the County tax roll. With respect to any Assessor's Parcel for which the Maximum Special Tax obligation is prepaid, the Board shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Maximum Special Tax obligation and the release of the Special Tax lien for the Assessor's Parcel, and the obligation to pay the Special Tax for such Assessor's Parcel shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Tax that may be levied on all Assessor's Parcels of Taxable Property after the proposed prepayment will be at least 1.1 times maximum annual debt service on the Bonds that will remain outstanding after the prepayment plus the estimated annual Administrative Expenses.

G.2 Prepayment in Part

The Maximum Special Tax obligation for (i) Assessor's Parcels of Developed Property, (ii) Assessor's Parcels of Final Mapped Property or Undeveloped Property for which a Building Permit has been issued, (iii) Assessor's Parcels of Final Mapped Property or

Undeveloped Property for which a Building Permit has not been issued; and (iv) Assessor's Parcels of Public Property or Property Owner's Association Property that are not exempt pursuant to Section E, may be partially prepaid. For purposes of determining the partial prepayment amount, the provisions of Section G.1 shall be modified as provided by the following formula:

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

These terms have the following meaning:

PP = The partial prepayment;

P_E = The Prepayment Amount calculated according to Section G.1;

F = The percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax obligation; and

A = The Administrative Fees and Expenses determined pursuant to Section G.1.

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Special Tax obligation for the Assessor's Parcel shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Maximum Special Tax obligation, (ii) the percentage of the Maximum Special Tax obligation such owner wishes to prepay, and (iii) the company or agency that will be acting as the escrow agent, if any. Within 5 days of receipt of such notice, the CFD Administrator shall notify such property owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 2021-01 (IA No. 1) in calculating the amount of a partial prepayment. Within 15 business days of receipt of such non-refundable deposit, the CFD Administrator shall notify such owner of the amount of the Partial Prepayment for the Assessor's Parcel. A Partial Prepayment must be made not less than 60 days prior to the redemption date for the Outstanding Bonds to be redeemed with the proceeds of the Partial Prepayment Amount.

With respect to any Assessor's Parcel for which the Maximum Special Tax obligation is partially prepaid, the CFD Administrator shall (i) distribute the Partial Prepayment Amount as provided in Paragraph 16 of Section G.1, and (ii) indicate in the records of CFD No. 2021-01 (IA No. 1) that there has been a Partial Prepayment for the Assessor's Parcel and that a portion of the Special Tax obligation equal to the remaining percentage (1.00 - F) of Special Tax obligation will continue on the Assessor's Parcel pursuant to Section D.

H SPECIAL TAX REDUCTION

The following definitions apply to this Section H:

"Base Price" means, with respect to the Dwelling Units in each Plan Type, as of the date of the applicable Price Point Study, the base price of such Dwelling Units, estimated by the Price Point Consultant as of such date, but excluding potential appreciation or premiums, options or upgrades, based upon their actual or expected characteristics, such as living area, view, or lot size.

"Plan Type" means a discrete residential plan type generally consisting of residential Dwelling Units that share a common product type (e.g., detached, attached, and cluster) and that have nearly identical amounts of living area, that is constructed or expected to be constructed within CFD No. 2021-01 (IA No. 1) as identified in the

Price Point Study.

"Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 2021-01 (IA No. 1) that (a) has substantial experience in performing price point studies or otherwise estimating or confirming pricing for Dwelling Units within community facilities districts, (b) is well versed in analyzing economic and real estate data that relates to the pricing of Dwelling Units in community facilities districts, (c) is independent and not under the control of CFD No. 2021-01 (IA No. 1), the County, or the developer, (d) does not have any substantial interest, direct or indirect, with or in CFD No. 2021-01 (IA No. 1), the County, any owner of real property in CFD No. 2021-01 (IA No. 1), or any real property in CFD No. 2021-01 (IA No. 1), and (e) is not connected with CFD No. 2021-01 (IA No. 1) or the County as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2021-01 (IA No. 1) or the County.

"Price Point Study" means a price point study or a letter updating a previous price point study, which (a) has been prepared by the Price Point Consultant, (b) sets forth the Plan Types constructed or expected to be constructed within CFD No. 2021-01 (IA No. 1), (c) sets forth the estimated number of constructed and expected Dwelling Units for each Plan Type, (d) sets forth estimates of the Base Price for each Plan Type and (e) uses a date for establishing such Base Prices that is no earlier than 30 days prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to Section H herein.

"Total Effective Tax Rate" means, for a Plan Type, (a) the Total Tax Burden for such Plan Type divided by (b) the Base Price for such Plan Type, converted to a percentage.

"Total Effective Tax Rate Limit" means, 1.85%.

"Total Tax Burden" means, with respect to a Plan Type, for the Fiscal Year for which the calculation is being performed, the sum of the Assigned Special Tax and estimated *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges levied or imposed on Dwelling Units of such Plan Type in CFD No. 2021-01 (IA No. 1) in such Fiscal Year or that would have been levied or imposed on all such Dwelling Units had these Dwelling Units been subject to such levies (excluding homeowner's association dues and Property Assessed Clean Energy ("PACE") charges imposed pursuant to AB 811 or SB 555, that are levied on individual Assessor's Parcels).

Prior to the issuance of the first series of Bonds, the following steps shall be taken for each Land Use Class of for-sale Residential Property in CFD No. 2021-01 (IA No. 1) for evaluating the Special Tax:

Step No.:

1. At least 30 days prior to the issuance of the first series of Bonds, a Price Point Study shall be completed and delivered to the CFD Administrator.
2. The CFD Administrator shall determine the Total Tax Burden and Total Effective Tax Rate for each Plan Type in CFD No. 2021-01 (IA No. 1).
3. Separately, for each Land Use Class of for-sale Residential Property in CFD No. 2021-01 (IA No. 1), the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or

equal to the Total Effective Tax Rate Limit.

a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class in CFD No. 2021-01 (IA No. 1) is less than or equal to the Total Effective Tax Rate Limit, then there shall be no change in Special Tax for such Land Use Class in CFD No. 2021-01 (IA No. 1).

b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class in CFD No. 2021-01 (IA No. 1) is greater than the Total Effective Tax Rate Limit, the CFD Administrator shall calculate a revised Assigned Special Tax for that Land Use Class in CFD No. 2021-01 (IA No. 1), such that the revised Assigned Special Tax does not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed the Total Effective Tax Rate Limit.

4. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. above, the CFD Administrator shall calculate a revised Backup Special Tax per Acre for each applicable Final Map within CFD No. 2021-01 (IA No. 1). The revised Backup Special Tax for applicable Final Map shall be an amount (rounded to the nearest whole dollar) calculated pursuant to the formula below:

   Revised BST = BST X (1 + [(Revised AST – AST)/(AST)])

   Revised BST = The revised Backup Special Tax for the Final Map.

   BST = The Backup Special Tax for the Final Map, as set forth in Section C.1.b.

   Revised AST = The total estimated Assigned Special Tax levy for all Land Use Classes of Developed Property in the Final Map, assuming buildout of CFD No. 2021-01 (IA No. 1), including any reduced Assigned Special Taxes resulting from the calculations in step 3.b. above.

   AST = The total estimated Assigned Special Tax levy for all Land Use Classes of Developed Property in the Final Map, assuming buildout of CFD No. 2021-01 (IA No. 1) based on the Assigned Special Taxes in effect prior to the reduction pursuant to steps 3.a. and 3.b.

5. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. above, the CFD Administrator shall also prepare and execute a Certificate to Amend the Special Tax substantially in the form of Exhibit "A" hereto and shall deliver such Certificate to Amend the Special Tax to CFD No. 2021-01 (IA No. 1). The Certificate to Amend the Special Tax shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax for a Land Use Class as calculated pursuant to step 3.b., or (ii) the Assigned Special Tax as identified in Table 1 of Section C for a Land Use Class that was not revised as determined pursuant to step 3.a.; as well as either (i) the revised Backup Special Tax as calculated pursuant to step 4, or (ii) the Backup Special Tax as identified in Section C.1.b. that was not revised as determined pursuant to step 4 above.

6. If the anticipated date of issuance for the first series of Bonds is within 180 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 2021-01 (IA No. 1) shall execute the acknowledgement on such

Certificate to Amend the Special Tax dated as of the closing date of such Bonds, and upon the closing of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall be as set forth in such Certificate to Amend the Special Tax. If the Date of Issuance of the first series of Bonds is not within 180 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate to Amend the Special Tax shall not be acknowledged by CFD No. 2021-01 (IA No. 1) and shall, as of such date, be void and of no further force and effect. In such case, if subsequently a first series of Bonds is expected to be issued, at least 30 days prior to that expected date, steps 1 through 5 of this section shall be performed based on a new Price Point Study.

7. After the execution by CFD No. 2021-01 (IA No. 1) of the acknowledgement on the Certificate to Amend the Special Tax, CFD No. 2021-01 (IA No. 1) shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for CFD No. 2021-01 (IA No. 1) reflecting the Assigned Special Tax and the Backup Special Tax for CFD No. 2021-01 (IA No. 1) set forth in such Certificate to Amend the Special Tax.

8. If the Assigned Special Tax is not required to be changed for any Land Use Class based on the calculations performed under step 3 above, there shall be no reduction in the Assigned Special Tax or Backup Special Tax, and no Certificate to Amend the Special Tax shall be required.

I MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2021-01 (IA No. 1) may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

J TERM OF SPECIAL TAX

The Special Tax shall be levied until the earlier of (i) the final maturity of the Bonds or (ii) 40 years after the commencement of the Special Tax, provided that the Special Tax shall not be levied after Fiscal Year 2061-2062. The Special Taxes will cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on the Bonds have been paid, no delinquent Special Taxes remain uncollected, and the County has covenanted that it will not issue any more Bonds (other than refunding Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

EXHIBIT A

CERTIFICATE TO AMEND THE SPECIAL TAX

COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) OF THE COUNTY OF LOS ANGELES

IMPROVEMENT AREA NO. 1

TAX REDUCTION CERTIFICATE

1. Pursuant to Section H of the Rate and Method of Apportionment, as attached to the Notice of Special Tax Lien, recorded in the Official Records of the County of Los Angeles as Instrument No. XXXXXX on MM/DD/YYYY, the County of Los Angeles (the "County") hereby reduces the Assigned Special Taxes for Developed Property within CFD No. 2021-01 (IA No. 1) set forth in Table 1 of the Rate and Method of Apportionment for CFD No. 2021-01 (IA No. 1).
2. The calculations made pursuant to Section H were based upon a Price Point Study that was received by the CFD Administrator on ________________.
3. The information in Table 1, relating to the Assigned Special Tax for Developed Property within CFD No. 2021-01 (IA No. 1) shall be amended and restated in full as follows:

Table A-1: Assigned Special Tax for Developed Property

Land Use Class	Residential Floor Area	Assigned Special Tax
1	DETACHED PROPERTY (>= 4,201 SF)	[$] PER DWELLING UNIT
2	DETACHED PROPERTY (4,001 - 4,200 SF)	[$] PER DWELLING UNIT
3	DETACHED PROPERTY (3,801 - 4,000 SF)	[$] PER DWELLING UNIT
4	DETACHED PROPERTY (3,601 - 3,800 SF)	[$] PER DWELLING UNIT
5	DETACHED PROPERTY (3,401 - 3,600 SF)	[$] PER DWELLING UNIT
6	DETACHED PROPERTY (3,201 - 3,400 SF)	[$] PER DWELLING UNIT
7	DETACHED PROPERTY (3,001 - 3,200 SF)	[$] PER DWELLING UNIT
8	DETACHED PROPERTY (2,801 - 3,000 SF)	[$] PER DWELLING UNIT
9	DETACHED PROPERTY (2,601 - 2,800 SF)	[$] PER DWELLING UNIT
10	DETACHED PROPERTY (< 2,601 SF)	[$] PER DWELLING UNIT
11	CLUSTER PROPERTY (>= 3,101 SF)	[$] PER DWELLING UNIT
12	CLUSTER PROPERTY (2,901 - 3,100 SF)	[$] PER DWELLING UNIT
13	CLUSTER PROPERTY (2,701 - 2,900 SF)	[$] PER DWELLING UNIT
14	CLUSTER PROPERTY (2,501 - 2,700 SF)	[$] PER DWELLING UNIT
15	CLUSTER PROPERTY (2,301 - 2,500 SF)	[$] PER DWELLING UNIT
16	CLUSTER PROPERTY (2,101 - 2,300 SF)	[$] PER DWELLING UNIT
17	CLUSTER PROPERTY (1,901 - 2,100 SF)	[$] PER DWELLING UNIT
18	CLUSTER PROPERTY (1,701 - 1,900 SF)	[$] PER DWELLING UNIT
19	CLUSTER PROPERTY (1,501 - 1,700 SF)	[$] PER DWELLING UNIT
20	CLUSTER PROPERTY (< 1,501 SF)	[$] PER DWELLING UNIT
21	ATTACHED PROPERTY (>= 2,451 SF)	[$] PER DWELLING UNIT
22	ATTACHED PROPERTY (2,301 - 2,450 SF)	[$] PER DWELLING UNIT
23	ATTACHED PROPERTY (2,151 - 2,300 SF)	[$] PER DWELLING UNIT
24	ATTACHED PROPERTY (2,001 - 2,150 SF)	[$] PER DWELLING UNIT
25	ATTACHED PROPERTY (1,851 - 2,000 SF)	[$] PER DWELLING UNIT
26	ATTACHED PROPERTY (1,701 - 1,850 SF)	[$] PER DWELLING UNIT
27	ATTACHED PROPERTY (1,551 - 1,700 SF)	[$] PER DWELLING UNIT
28	ATTACHED PROPERTY (1,401 - 1,550 SF)	[$] PER DWELLING UNIT
29	ATTACHED PROPERTY (1,251 - 1,400 SF)	[$] PER DWELLING UNIT
30	ATTACHED PROPERTY (1,101 - 1,250 SF)	[$] PER DWELLING UNIT
31	ATTACHED PROPERTY (951 - 1,100 SF)	[$] PER DWELLING UNIT
32	ATTACHED PROPERTY (801 - 950 SF)	[$] PER DWELLING UNIT
33	ATTACHED PROPERTY (651 - 800 SF)	[$] PER DWELLING UNIT
34	ATTACHED PROPERTY (< 651 SF)	[$] PER DWELLING UNIT
35	APARTMENT PROPERTY	[$] PER SQUARE FOOT OF APARTMENT FLOOR AREA
36	NON-RESIDENTIAL PROPERTY	[$] PER SQUARE FOOT OF NON-RESIDENTIAL FLOOR AREA

4. The Backup Special Tax for an Assessor's Parcel of Developed Property shall equal the amount per Acre for each Final Map as shown in Table A-2 below.

Table A-2: Backup Special Tax

Final Map	Backup Special Tax
61101-05	[$________] PER ACRE
61105-01	[$________] PER ACRE
61105-02	[$________] PER ACRE
61105-03	[$________] PER ACRE
61105-04	[$________] PER ACRE
61105-06	[$________] PER ACRE
61105-07	[$________] PER ACRE
61105-08	[$________] PER ACRE
61105-09	[$________] PER ACRE
61105-10	[$________] PER ACRE
61105-11	[$________] PER ACRE
61105-12	[$________] PER ACRE
61105-13	[$________] PER ACRE
61105-14	[$________] PER ACRE
61105-15	[$________] PER ACRE
61105-16	[$________] PER ACRE
61105-18	[$________] PER ACRE
61105-19	[$________] PER ACRE
61105-20	[$________] PER ACRE
61105-21	[$________] PER ACRE
ALL OTHER FINAL MAPS	[$________] PER ACRE

5. On each July 1, commencing on July 1, _____, the Assigned Special Tax rates in Table A-1 and the Backup Special Tax rates in Table A-2 shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.
6. Upon execution of the certificate by the County and CFD No. 2021-01 (IA No. 1), the County shall cause an amended Notice of Special Tax Lien for CFD No. 2021-01 (IA No. 1) to be recorded reflecting the modifications set forth herein.

Submitted:

CFD ADMINISTRATOR

By: ____ Date: __________________________

By execution hereof, the undersigned acknowledges, on behalf of CFD No. 2021-01 (IA No. 1), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

Improvement Area No. 1 of Community Facilities District No. 2021-01 (Valencia-Facilities) of the County of Los Angeles

By: ______________________________ Date as of: ____________________

APPENDIX B

County of Los Angeles
Community Facilities District Report
Community Facilities District No. 2021-01 (Valencia-Facilities)

BOUNDARY MAP

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA - FACILITIES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

ATTEST: CELIA ZAVALA
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS
By Janger Ruiz, Deputy

Assessor Parcels within the Boundary of
County of Los Angeles Community Facilities District No. 2021-01 (Valencia - Facilties), County of Los Angeles
Improvement Area No. 1:

2826-168-005	2826-182-001	2826-186-025	2826-188-006	2826-188-044	2826-189-033	2826-190-024
2826-168-006	2826-182-002	2826-186-026	2826-188-007	2826-188-045	2826-189-034	2826-190-025
2826-173-003	2826-182-003	2826-186-027	2826-188-008	2826-188-046	2826-189-035	2826-190-026
2826-173-004	2826-182-004	2826-186-028	2826-188-009	2826-188-047	2826-189-036	2826-190-027
2826-174-001	2826-182-005	2826-186-029	2826-188-010	2826-188-048	2826-189-037	2826-190-028
2826-174-002	2826-182-006	2826-186-030	2826-188-011	2826-188-049	2826-189-038	2826-190-029
2826-174-003	2826-182-007	2826-186-031	2826-188-012	2826-189-001	2826-189-039	2826-190-030
2826-174-005	2826-183-001	2826-186-032	2826-188-013	2826-189-002	2826-189-040	2826-190-031
2826-174-006	2826-183-002	2826-186-033	2826-188-014	2826-189-003	2826-189-041	2826-190-032
2826-174-007	2826-183-003	2826-187-001	2826-188-015	2826-189-004	2826-189-042	2826-190-033
2826-175-001	2826-183-004	2826-187-002	2826-188-016	2826-189-005	2826-189-043	2826-190-034
2826-175-002	2826-184-001	2826-187-003	2826-188-017	2826-189-006	2826-189-044	2826-190-035
2826-175-003	2826-184-002	2826-187-004	2826-188-018	2826-189-007	2826-189-045	2826-190-036
2826-175-004	2826-185-010	2826-187-005	2826-188-019	2826-189-008	2826-189-046	2826-190-037
2826-175-005	2826-186-001	2826-187-006	2826-188-020	2826-189-009	2826-189-047	2826-190-038
2826-175-006	2826-186-002	2826-187-007	2826-188-021	2826-189-010	2826-190-001	
2826-175-007	2826-186-003	2826-187-008	2826-188-022	2826-189-011	2826-190-002	
2826-175-008	2826-186-004	2826-187-009	2826-188-023	2826-189-012	2826-190-003	
2826-176-001	2826-186-005	2826-187-010	2826-188-024	2826-189-013	2826-190-004	
2826-176-002	2826-186-006	2826-187-011	2826-188-025	2826-189-014	2826-190-005	
2826-176-003	2826-186-007	2826-187-012	2826-188-026	2826-189-015	2826-190-006	
2826-176-004	2826-186-008	2826-187-013	2826-188-027	2826-189-016	2826-190-007	
2826-177-001	2826-186-009	2826-187-014	2826-188-028	2826-189-017	2826-190-008	
2826-177-002	2826-186-010	2826-187-015	2826-188-029	2826-189-018	2826-190-009	
2826-177-003	2826-186-011	2826-187-016	2826-188-030	2826-189-019	2826-190-010	
2826-177-004	2826-186-012	2826-187-017	2826-188-031	2826-189-020	2826-190-011	
2826-177-005	2826-186-013	2826-187-018	2826-188-032	2826-189-021	2826-190-012	
2826-177-006	2826-186-014	2826-187-019	2826-188-033	2826-189-022	2826-190-013	
2826-177-007	2826-186-015	2826-187-020	2826-188-034	2826-189-023	2826-190-014	
2826-177-008	2826-186-016	2826-187-021	2826-188-035	2826-189-024	2826-190-015	
2826-180-001	2826-186-017	2826-187-022	2826-188-036	2826-189-025	2826-190-016	
2826-180-002	2826-186-018	2826-187-023	2826-188-037	2826-189-026	2826-190-017	
2826-180-003	2826-186-019	2826-187-024	2826-188-038	2826-189-027	2826-190-018	
2826-180-004	2826-186-020	2826-188-001	2826-188-039	2826-189-028	2826-190-019	
2826-180-005	2826-186-021	2826-188-002	2826-188-040	2826-189-029	2826-190-020	
2826-180-006	2826-186-022	2826-188-003	2826-188-041	2826-189-030	2826-190-021	
2826-180-007	2826-186-023	2826-188-004	2826-188-042	2826-189-031	2826-190-022	
2826-180-008	2826-186-024	2826-188-005	2826-188-043	2826-189-032	2826-190-023	

(1) Filed in the office of the Executive Officer of the Board of Supervisors of Los Angeles County this 26th day of January, 2021.

Celia Zavala
Celia Zavala,
Executive Officer of the Board of Supervisors
Los Angeles County, California

(2) I hereby certify that the within map showing the proposed boundaries of County of Los Angeles Community Facilities District No. 2021-01 (Valencia - Facilties), County of Los Angeles, State of California, was approved by the Board of Supervisors at a regular meeting thereof, held on this 26th day of January, 2021, by its Resolution No. 79133.

Celia Zavala
Celia Zavala,
Executive Officer of the Board of Supervisors
Los Angeles County, California

(3) Filed this 4th day of February, 2021, at the hour of 8:04 o'clock A.m, in Book 195 of Maps of Assessment and Community Facilities Districts at Page 80-83 and as Instrument No. 2021-10197579 in the office of the County Recorder in the County of Los Angeles, State of California.

Dean C. Logan
Registrar-Recorder/County Clerk, County of Los Angeles
By ________
Deputy
Fee ∅

Exempt recording requested,
per CA Government Code §27383

Prepared by DTA

SHEET 2 OF 4

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA - FACILITIES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

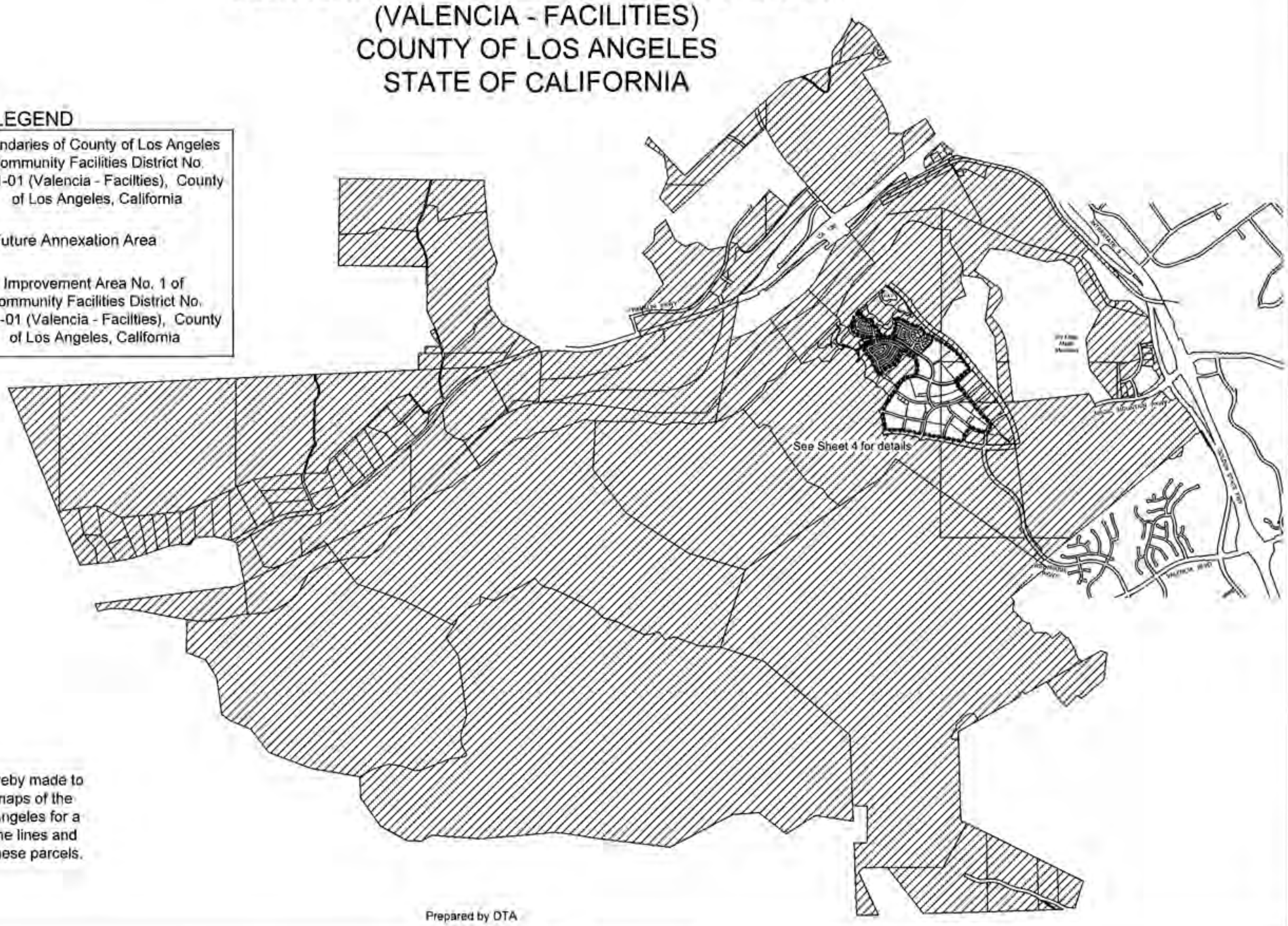
Assessor Parcels within the Future Annexation Area of
County of Los Angeles Community Facilities District No. 2021-01 (Valencia - Facilities), County of Los Angeles:

2826-002-018	2826-005-012	2826-163-001	2826-174-004	2826-192-007	3272-023-008
2826-002-019	2826-005-013	2826-163-002	2826-178-001	2826-192-008	3272-024-003
2826-002-020	2826-006-008	2826-163-008	2826-178-002	2866-001-001	3272-024-004
2826-002-021	2826-007-021	2826-163-009	2826-178-003	2866-002-045	3272-038-001
2826-002-022	2826-008-028	2826-163-010	2826-178-004	2866-002-052	3272-038-002
2826-002-023	2826-008-034	2826-163-011	2826-179-001	2866-002-061	3272-038-006
2826-002-024	2826-008-039	2826-163-013	2826-179-002	2866-002-063	3272-038-020
2826-002-025	2826-008-044	2826-163-031	2826-179-003	2866-003-008	3272-038-021
2826-003-021	2826-009-050	2826-166-003	2826-179-004	2866-003-009	3272-038-022
2826-003-038	2826-009-052	2826-166-004	2826-179-005	2866-003-010	3272-038-023
2826-003-039	2826-009-053	2826-167-002	2826-181-001	2866-003-011	3272-038-024
2826-003-044	2826-009-081	2826-167-003	2826-184-003	3271-001-038	3272-038-025
2826-003-045	2826-009-086	2826-168-001	2826-185-001	3271-002-017	3272-038-026
2826-003-046	2826-009-104	2826-168-002	2826-185-002	3271-002-038	3272-038-027
2826-003-047	2826-009-105	2826-168-003	2826-185-003	3271-003-031	3272-039-007
2826-003-048	2826-009-106	2826-168-004	2826-185-004	3271-003-033	3272-039-008
2826-003-050	2826-070-019	2826-169-001	2826-185-005	3271-003-034	3272-039-009
2826-003-051	2826-116-025	2826-169-002	2826-185-006	3271-003-035	3272-039-018
2826-003-052	2826-122-001	2826-170-001	2826-185-007	3271-003-036	3272-039-020
2826-004-019	2826-122-004	2826-171-001	2826-185-008	3271-003-037	3272-039-021
2826-004-020	2826-122-005	2826-171-002	2826-191-001	3271-003-038	3272-039-022
2826-004-028	2826-122-006	2826-171-003	2826-191-002	3271-003-039	3272-039-023
2826-004-030	2826-122-007	2826-171-004	2826-191-003	3271-003-040	3272-039-024
2826-004-033	2826-122-008	2826-171-005	2826-191-004	3271-003-041	3272-040-008
2826-004-041	2826-122-009	2826-171-006	2826-191-005	3271-003-043	3272-040-009
2826-004-042	2826-122-010	2826-171-007	2826-191-006	3271-030-084	3272-040-017
2826-004-043	2826-122-011	2826-172-001	2826-192-001	3271-030-085	3272-040-018
2826-004-044	2826-122-012	2826-172-002	2826-192-002	3271-030-086	3272-040-019
2826-005-007	2826-123-001	2826-172-003	2826-192-003	3271-030-087	3272-040-020
2826-005-008	2826-123-002	2826-172-004	2826-192-004	3271-030-088	3272-040-021
2826-005-009	2826-123-003	2826-173-001	2826-192-005	3271-030-089	3272-040-022
2826-005-010	2826-134-035	2826-173-002	2826-192-006	3271-030-090	3272-040-023

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA - FACILITIES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

LEGEND

(dotted line)	Boundaries of County of Los Angeles Community Facilities District No. 2021-01 (Valencia - Facilties), County of Los Angeles, California
(hatched box)	Future Annexation Area
(dotted line)	Improvement Area No. 1 of Community Facilities District No. 2021-01 (Valencia - Facilties), County of Los Angeles, California



Reference is hereby made to the Assessor maps of the County of Los Angeles for a description of the lines and dimensions of these parcels.

Prepared by DTA

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA - FACILITIES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

Reference is hereby made to the Assessor maps of the County of Los Angeles for a description of the lines and dimensions of these parcels.

LEGEND

Boundaries of County of Los Angeles Community Facilities District No. 2021-01 (Valencia - Facilties), County of Los Angeles, California

Prepared by DTA

www.FinanceDTA.com
5000 Birch Street, Suite 3000
Newport Beach, CA 92660

COUNTY OF LOS ANGELES

COMMUNITY FACILITIES DISTRICT REPORT
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA – SERVICES)

Prepared for:

County of Los Angeles

500 West Temple Street, Los Angeles, CA 90012

TABLE OF CONTENTS

I INTRODUCTION

WHEREAS, the Board of Supervisors of the County of Los Angeles (hereinafter referred to as the "Board") did, pursuant to the provision of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2 of Title 5 (commencing with Section 53311) of the Government Code of the State of California (hereinafter referred to as the "Act"), and specifically Section 53321.5 thereof, expressly order the filing of a written "Report" with the legislative body of the proposed Community Facilities District ("CFD"). This CFD being County of Los Angeles CFD No. 2021-02 (Valencia-Services) shall hereinafter be referred to as:

"CFD No. 2021-02"; and,

WHEREAS, on January 26, 2021, the Board , pursuant to the Act, adopted a Resolution entitled "RESOLUTION OF INTENTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ESTABLISH COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-02 (VALENCIA-SERVICES) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES TO PAY THE COSTS OF PROVIDING CERTAIN PUBLIC SERVICES AND TO DESIGNATE FUTURE ANNEXATION AREA" (hereinafter referred to as the "Resolution of Intention") directing that the Report generally contain the following:

1. A brief description of the public services by type which will be required to adequately meet the needs of CFD No. 2021-02; and
2. An estimate of the cost of providing the public services.

WHEREAS, each officer of the County of Los Angeles (hereinafter referred to as the "County") who is or will be responsible for providing one or more of the proposed types of public services to be financed by CFD No. 2021-02 has hereby directed DTA, formerly David Taussig & Associates, to study the proposed CFD No. 2021-02 and, at or before the time of the public hearing on the establishment of CFD No. 2021-02, file the Report with the Board pursuant to the provisions of the Resolution of Intention.

NOW, THEREFORE, DTA does hereby submit the Report.

II PROJECT DESCRIPTION

CFD No. 2021-02 is located approximately 35 miles northwest of downtown Los Angeles adjacent to the City of Santa Clarita and consists of the entirety of Mission Village ("Zone 1 of CFD No. 2021-02") which is part of the Newhall Ranch Specific Plan (the "Project"). At buildout, Mission Village is expected to consist of approximately 4,055 residential units and 1,555,100 square feet of non-residential space. The balance of the Project is included in the Future Annexation Area and may be annexed in phases to CFD No. 2021-02 (a "Future Zone") by the submittal of the Unanimous Consent and Approval and the approval of the Board. The Unanimous Consent and Approval shall contain the special tax rates for the Future Zone. The annexation of the Future Annexation Area into Future Zones shall be conducted pursuant to the provisions of the Resolution of Formation, the Acquisition, Funding and Disclosure Agreement by and among the District, the County and The Newhall Land and Farming Company (A California Limited Partnership), and the Act.

III DESCRIPTION AND ESTIMATED COSTS OF PUBLIC SERVICES

A Description of Public Services

A community facilities district may provide for the purchase, construction, expansion, or rehabilitation of any real or tangible property, including public facilities and infrastructure improvements, with an estimated useful life of five (5) years or longer, which is necessary to meet increased demands placed upon local agencies as a result of development or rehabilitation occurring within the community facilities district. In addition, a community facilities district may pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay for any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the community facilities district. A CFD may also provide for financing of certain public services to meet these demands.

The type of public services proposed to be eligible for funding by CFD No. 2021-02, as identified in the resolution establishing CFD No. 2021-02 (the "Resolution of Formation"), shall consist of those listed below. It is intended that CFD No. 2021-02 will be authorized to finance all or a portion of the costs of any of the following public services, pursuant to the plans and specifications approved by the County:

CFD No. 2021-02 (including any other property annexed to CFD No. 2021-02 in the future) is authorized to finance all or a portion of the costs of the types of services permitted to Government Code Section 53313, which shall include, but not be limited to, the following services:

- Parkway and Median Landscaping;
- Maintenance of Water Quality System Improvements;
- High Country Maintenance (per applicable conditions of approval for the Project); and
- Public Park Maintenance, excluding park recreation services/programming.

B Estimated Costs of Public Services

The estimated cost of services currently expected to be financed through Zone 1 of CFD No. 2021-02 is approximately $2.36 million annually. The cost of services to be financed by CFD No. 2021-02, for property in the Future Annexation Area will be determined at the time of annexation of each such property. The costs are an estimate only and actual costs may differ from those estimates herein. As previously referenced, it is intended that CFD No. 2021-02 will be authorized to finance all or a portion of the costs of any of the services listed in Section III.A above.

IV INCIDENTAL EXPENSES

Pursuant to Section 53340 of the Act, the proceeds of any special tax may only be used to pay, in whole or in part, the costs of providing public facilities, services and incidental expenses. As defined by the Act, incidental expenses include, but are not limited to, the costs of planning and designing public facilities to be financed, including the costs of environmental evaluations of those public facilities; the costs associated with the creation of the district, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the district; any other expenses incidental to the construction, completion, and inspection of the authorized work; and the costs associated with the retirement of existing bonded indebtedness. While the actual costs of administering CFD No. 2021-02 may vary, it is anticipated that the amount of Special Taxes which can be collected in Zone 1 will be sufficient to fund at least $75,000 in annual administrative expenses. While the actual costs of administering CFD No. 2021-02 may vary, it is anticipated that the amount of special taxes which can be collected in a Future Zone will be sufficient to fund at least $75,000 in annual administrative expenses with respect to such Future Zone.

V RATE AND METHOD OF APPORTIONMENT

The property located within CFD No. 2021-02, unless exempted by law or by the Rate and Method of Apportionment (defined below), shall be taxed for the purpose of funding public services authorized to be financed by CFD No. 2021-02. Pursuant to Section 53325.3 of the Act, the tax imposed "is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The special tax "may be based on benefit received by parcels of real property, the costs of making authorized facilities or authorized services available to each parcel or other reasonable basis as determined by the legislative body," although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIIIA of the California Constitution.

The rate and method of apportionment of the special tax (the "Rate and Method of Apportionment") proposed to be levied within Zone 1 of CFD No. 2021-02 is described in Exhibit B to the Resolution of Intention. This proposed Rate and Method of Apportionment, also provided as Appendix A hereto, provides information sufficient to allow each property owner within Zone 1 of CFD No. 2021-02 to estimate the maximum annual Special Tax he or she will be required to pay.

Sections A through C below provide additional information on the Rate and Method of Apportionment.

A Explanation of Special Tax Apportionment

When a CFD is formed, a special tax may be levied on each parcel of taxable property within the CFD to pay for the construction, acquisition, and rehabilitation of public facilities, to pay for authorized services or to repay bonded indebtedness or other related expenses incurred by a CFD. This special tax must be apportioned in a reasonable manner; however, the tax may not be apportioned on an ad valorem basis.

When more than one type of land use is present within a CFD, several criteria may be considered when apportioning the special tax. Generally, criteria based on building square footage, acreage, and land use are selected, and categories based on such criteria are established to differentiate between parcels of property. These categories are a direct result of the projected product mix and are reflective of the proposed land use types within that CFD. Specific special tax levels are assigned to each land use class, with all parcels within a land use class assigned the same special tax rate.

The Act does not require that special taxes be apportioned to individual parcels based on benefit received.

The major assumption inherent in the Special Tax rates set forth in the Rate and Method of Apportionment is that the level of benefit received from the proposed public services is a function of land use and/or product type. This assumption is borne out through an examination of commonly accepted statistical measures for public facility usage.

For example, in measuring average weekday vehicle trip-ends, the Institute of

Transportation Engineer's Trip Generation manual identifies land use as the primary determinant of trip-end magnitude. Larger residential dwelling units typically generate a greater number of trip-ends than do smaller residential dwelling units, and therefore, will tend to receive more benefit from road grading, road landscaping and road improvements.

Drainage and flood control requirements generally vary with the amount of impervious ground cover per parcel. It follows that large homes situated on large lots have more impervious ground cover which will create more drainage flows than that of smaller homes situated on smaller lots.

Sewer treatment costs are based on plant capacity to treat Biochemical Oxygen Demand ("BOD"), Suspended Solids ("SS"), and the flow rate. Other variables for water and sewer requirements include storage and fire flow requirements, as well as the number of bathrooms and fixture units in the home and the population of the household, which tends to vary directly with the size of the dwelling unit.

In addition, larger buildings typically generate a greater number of "person hours," or the number of hours per week that residents associated with a specific type of land use could potentially use park and recreation facilities or require the need for the proposed public services.

Therefore, Special Tax rates have been established for residential and non-residential land use classes for Zone 1 of CFD No. 2021-02. In addition, to ensure fairness, the Special Tax rates are uniformly applied within each land use class. The Special Tax for a parcel of Residential Property, Apartment Property, and Non-Residential Property in Zone 1 of CFD No. 2021-02 will vary directly based on the type of use.

Based on the types of public services that are proposed for CFD No. 2021-02 and the factors described above, the Special Taxes assigned to Developed Property are generally proportionate to the use of services received by it, and, accordingly, the Special Taxes in Zone 1 of CFD No. 2021-02 can be considered fair and reasonable. Pursuant to Section 53339.3(d) of the Act, the special tax rates to pay for the Services to be supplied within any territory annexed to CFD No. 2021-02 in the future may be higher or lower than the special tax rates in Zone 1 at the time of such annexation to the extent that the actual cost of providing the services in the territory to be annexed is higher or lower than the cost of providing those services in the District at the time of such annexation.

B Maximum Services Special Tax

Table 1 within the Rate and Method of Apportionment lists the Maximum Special Tax that may be levied against Developed Property within Zone 1 of CFD No. 2021-02 to fund the Developed Property Special Tax Requirement. Refer to Section C of the Rate and Method of Apportionment for further details on the Special Tax.

Sections C.2 and C.3 of the Rate and Method of Apportionment provide information on the Maximum Special Tax for Final Mapped Property and Undeveloped Property, respectively.

The Maximum Special Tax on Developed Property, Final Mapped Property, and Undeveloped Property in the Rate and Method of Apportionment is for Fiscal Year 2021-2022. On July 1 of each year, commencing July 1, 2022, the Maximum Special Tax is subject to increase by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

C Accuracy of Information

In order to establish the Maximum Special Tax rates for Zone 1 of CFD No. 2021-02 as set forth in the Rate and Method of Apportionment, DTA has relied on information including, but not limited to, absorption, land-use types, building square footage, and net taxable acreage provided to it by others. DTA has not independently verified such data and disclaims responsibility for the impact of inaccurate data, if any, on the Rate and Method of Apportionment for Zone 1 of CFD No. 2021-02, including the inability to meet the financial obligations within Zone 1 of CFD No. 2021-02.

VI BOUNDARIES OF THE CFD

The boundaries of Zone 1 of CFD No. 2021-02 include all land on which the Special Taxes may be levied. The recorded map of Zone 1 is included as Appendix B. In addition, the map included as Appendix B also shows the boundaries of the Future Annexation Area.

VII GENERAL TERMS AND CONDITIONS

A Substitution of Services

The descriptions of the public services, as set forth herein, are general in their nature. The County will determine the final nature, location, and costs of services upon the preparation of final plans and specifications. The final plans may show substitutes, in lieu of modifications to the proposed services, and any such substitution shall not be a change or modification in the proceedings as long as the services provided are of a type substantially similar to that as set forth in this Report.

B Appeals and Interpretations

Pursuant to Section H of the Rate and Method of Apportionment, any landowner or resident who feels that the amount of the Special Tax levied on his/her Assessor's Parcel is in error may submit a written appeal to the CFD Administrator, provided that the appellant is current in his/her payment of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, a cash refund shall not be made (except for the last year of levy), but the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the Board Clerk, provided that the appellant is current in his/her payment of Special Taxes. This second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator shall interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the CFD Administrator shall be subject to appeal to the Board whose decision shall be final and binding as to all persons.

C Prepayment of Special Tax

The Special Tax may not be prepaid.

APPENDIX A

County of Los Angeles
Community Facilities District Report
Community Facilities District No. 2021-02 (Valencia-Services)

RATE AND METHOD OF APPORTIONMENT

RATE AND METHOD OF APPORTIONMENT
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA-SERVICES)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services) ("CFD No. 2021-02") and collected each Fiscal Year commencing in Fiscal Year 2021-2022, in an amount determined by the Board, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2021-02, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No 2021-02: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the County or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the County, CFD No. 2021-02 or any designee thereof related to an appeal of the Special Tax; and the County's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the County or CFD No. 2021-02 for any other administrative purposes of CFD No. 2021-02, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.

"Affordable Housing Property" means Dwelling Units, located on one or more Assessor's Parcels for which a Building Permit for new construction was issued after January 1, 2020 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the County providing affordable housing for households with incomes below 120% of the County of Los Angeles median income, and are therefore exempt from the Special Tax.

"Apartment Property" means Assessor's Parcels for which Building Permits have been issued for Dwelling Units located in a building or buildings comprised of

Dwelling Units available for rent, but not purchase, by the general public and under common management.

"Apartment Floor Area" means the total building square footage of Apartment Property, measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two sides, as determined by reference to the Building Permit(s) issued for that Assessor's Parcel, or if these are not available, as otherwise determined by the CFD Administrator.

"Assessor's Parcel" means any real property to which an Assessor's Parcel Number is assigned as shown on an Assessor's Parcel Map.

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

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Attached Property" means, in any Fiscal Year, all Residential Property for which Building Permits were issued for construction of a residential structure consisting of two or more Dwelling Units that share common walls, including garage walls. Dwelling Units to be included in this category shall include, but not be limited to, townhomes, condominiums, triplex units, and duplex units. Dwelling Units on Apartment Property shall be excluded from this category.

"Annual Special Tax Requirement" means the sum of the Developed Property Special Tax Requirement and the Final Mapped Property/Undeveloped Property Special Tax Requirement.

"Authorized Services" means those services eligible to be funded, as defined in the Resolution of Formation and authorized to be financed by CFD No. 2021-02 pursuant to Section 53313 and Section 53313.5 of the Act. CFD No. 2021-02 shall finance Authorized Services only to the extent that they are in addition to those provided in the territory before the CFD was created and such Authorized Services may not supplant services already available within CFD No. 2021-02 when the CFD was created.

"Board" means the Board of Supervisors of the County.

"Boundary Map" means a recorded map(s) which indicates the boundaries of CFD No. 2021-02.

"Building Permit" means the first legal document issued by the County giving official permission for the construction of a building on an Assessor's Parcel. For purposes of this definition and application of the Special Tax, "Building Permit" may or may not include any subsequent building permits issued or changed after the first issuance, as determined by the CFD Administrator.

"CFD Administrator" means an official of the County, or designee thereof, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD Formation" means the date on which the Board approved documents to form CFD No. 2021-02.

"CFD No. 2021-02" means the County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services).

"Cluster Property" means Assessor's Parcels of Developed Property for which Building Permits have been issued for Dwelling Units that are or are expected to (i) share a lot, designated by a Final Map, with one or more Dwelling Units; and (ii) be surrounded by freestanding walls and that do not share an inside wall with any other Dwelling Unit, as determined by the CFD Administrator. Dwelling Units to be included in this category shall include, but not be limited to, 3-Pack units, 8-Pack units, and 10-Pack units.

"Consumer Price Index" means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the Los Angeles – Long Beach – Anaheim Area, measured as of the month of December in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the Los Angeles – Long Beach – Anaheim Area.

"County" means the County of Los Angeles.

"Detached Property" means Assessor's Parcels of Developed Property for which Building Permits have been issued for Dwelling Units that are or are expected to be (i) each located on a separate lot designated by a Final Map, and (ii) surrounded by freestanding walls and that do not share an inside wall with any other Dwelling Unit, as determined by the CFD Administrator.

"Developed Property" means, for each Fiscal Year, all Taxable Property located within a Final Map that was recorded as of January 1 of the prior Fiscal Year, for which a Building Permit was issued prior to May 1 of the prior Fiscal Year.

"Developed Property Special Tax Requirement" means that amount to (i) pay for Authorized Services; (ii) build up the Reserve Fund up to the Reserve Fund Requirement for each Zone not to exceed in any given Fiscal Year 20% of Authorized Services for that Zone; and (iii) pay Administrative Expenses; less (iv) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Developed Property Special Tax Requirement include debt service payments for debt financings by CFD No. 2021-02.

"Dwelling Unit" means one residential unit of any configuration, including, but not limited to, a single-family attached or detached dwelling, condominium, apartment, mobile home, or otherwise.

"Exempt Welfare Exemption Property" means, for each Fiscal Year, an Assessor's Parcel that is (a) receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County's assessor's roll finalized as of January 1 of the previous Fiscal Year, and (b) exempt from the Special Tax pursuant to Section 53340(c) of the Act.

"Final Map" means (i) a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots or parcels for which Building Permits may be issued without further subdivision, or (ii) for condominiums, a final map approved by the County and a condominium plan recorded pursuant to California Civil Code Section 4285 creating such individual lots or parcels.

"Final Mapped Property" means all Assessor's Parcels of Taxable Property: (i) that are included in a Final Map recorded prior to the January 1st preceding the Fiscal Year in which the Special Tax is being levied; and (ii) for which a Building Permit has not been issued on or before May 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Final Mapped Property/Undeveloped Property Special Tax Requirement" means that amount to (i) pay for Authorized Services not funded by the levy of Special Taxes on Developed Property through the Developed Property Special Tax Requirement; (ii) build up the Reserve Fund up to the Reserve Fund Requirement for each Zone not to exceed in any given Fiscal Year 20% of Authorized Services for that Zone not funded by the levy of Special Taxes on Developed Property through the Developed Property Special Tax Requirement; and (iii) pay Administrative Expenses not funded by the levy of Special Taxes on Developed Property though the Developed Property Special Tax Requirement; less (iv) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Final Mapped Property/Undeveloped Property Special Tax Requirement include debt service payments for debt financings by CFD No. 2021-02.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Future Annexation Area" means that geographic area that, at the time of CFD Formation, was considered potential annexation area for CFD No. 2021-02 and which was, therefore, identified as "future annexation area" on the recorded CFD No. 2021-02 Boundary Map. Such designation does not mean that any or all of the Future Annexation Area will annex into CFD No. 2021-02, but should property designated as Future Annexation Area choose to annex, the annexation may be processed pursuant to the annexation procedures in the Act for territory included in a future annexation area, as well as the procedures established by the Board.

"Land Use Class" means any of the categories listed in Table 1 below.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel.

"Non-Residential Floor Area" means the total building square footage of the non-residential building(s) located on an Assessor's Parcel, measured from outside wall to outside wall, not including space devoted to stairwells, public restrooms, lighted courts, vehicle parking and areas incident thereto, and mechanical equipment incidental to the operation of such building. The determination of Non-Residential Floor Area shall be made by reference to the Building Permit(s) issued for such Assessor's Parcel and/or to the appropriate records kept by the County, as reasonably determined by the CFD Administrator.

"Non-Residential Property" means all Assessor's Parcels of Taxable Property for which a Building Permit(s) was issued for a non-residential use. The CFD Administrator shall make the determination if an Assessor's Parcel is Non-Residential Property.

"Property Owner Association" means, collectively, any property owner association or homeowners association, including any master- or sub-association, created for the property in CFD No. 2021-02.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2021-02 that was owned by (i) a Property Owner Association, as of January 1 of the prior Fiscal Year, or (ii) a transportation management organization, as of January 1 of the prior Fiscal Year.

"Proportionately" means, within each Zone, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property. For Final Mapped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Final Mapped Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property.

"Public Property" means, for each Fiscal Year, any property within CFD No. 2021-02 that is owned by, irrevocably offered for dedication to, or dedicated to the federal government, the State, the County, or any other public agency as of June 30 of the prior Fiscal Year; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a public agency, the property owner shall notify the CFD Administrator in writing of such acquisition, offer, or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

"Rate and Method of Apportionment' means this Rate and Method of Apportionment of Special Taxes, County of Los Angeles, Community Facilities District No. 2021-02 (Valencia-Services).

"Reserve Fund" means a reserve fund to be used for one-time setup costs, capital replacement, and maintenance costs.

"Reserve Fund Requirement" means for each Zone, an amount equal to up to 100% of the anticipated annual cost of Authorized Services at buildout of that Zone.

"Residential Property" means Developed Property for which a Building Permit has been issued for purposes of constructing one or more Dwelling Units.

"Resolution of Formation" means the resolution adopted by the Board pursuant to Section 53325.1 of the Act, establishing CFD No. 2021-02.

"Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Special Tax Requirement.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2021-02 which are not exempt from the Special Tax pursuant to law or Section E below.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property, Final Mapped Property, Public Property, or Property Owner's Association Property.

"Zone" means a mutually exclusive geographic area or areas, within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment. The initial Zone of CFD No. 2021-02 is identified as Zone 1. Additional Zones may be created when property is annexed into CFD No. 2021-02.

B ASSIGNMENT TO LAND USE CLASSES

Each Fiscal Year, beginning with Fiscal Year 2021-2022, each Assessor's Parcel of Taxable Property shall be classified as Developed Property, Final Mapped Property, Undeveloped Property, Public Property and/or Property Owner's Association Property.

Assessor's Parcels of Developed Property shall further be classified as Residential Property or Non-Residential Property. Finally, each Assessor's Parcel of Residential Property shall further be classified as a Detached Property, Cluster Property, Attached Property, Apartment Property, or Affordable Housing Property.

C MAXIMUM SPECIAL TAX

C.1 Developed Property

C.1.a Maximum Special Tax

The Maximum Special Tax for Fiscal Year 2021-2022 for Developed Property is shown below in Table 1.

Table 1: Maximum Special Taxes for Developed Property

Land Use Class	Description	Fiscal Year 2021-2022 Maximum Special Tax
1	DETACHED PROPERTY	$615 PER DWELLING UNIT
2	CLUSTER PROPERTY	$567 PER DWELLING UNIT
3	ATTACHED PROPERTY	$476 PER DWELLING UNIT
4	AFFORDABLE HOUSING PROPERTY	$0 PER DWELLING UNIT
5	APARTMENT PROPERTY	$0.29 PER SQUARE FOOT OF APARTMENT FLOOR AREA
6	NON-RESIDENTIAL PROPERTY	$0.29 PER SQUARE FOOT OF NON-RESIDENTIAL FLOOR AREA

C.1.b Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on the Assessor's Parcel. The CFD Administrator's allocation to each Land Use Class shall be final.

C.1.c Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2022, the Maximum Special Tax for Developed Property shall be increased annually by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

C.2 Final Mapped Property

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property shall be $8,402 per Acre, and shall increase annually thereafter, commencing on July 1, 2022 and on July 1 of each Fiscal Year thereafter, by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

C.3 Undeveloped Property

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property shall be $8,402 per Acre, and shall increase annually thereafter, commencing on July 1, 2022 and on July 1 of each Fiscal Year thereafter, by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

D ANNEXATIONS

It is anticipated that additional properties will be annexed into CFD No. 2021-02 from time to time. For Land Use Classes not included in the initial boundaries of CFD No. 2021-02, a study and report describing the Authorized Services to be provided to such properties and the estimated cost of such Authorized Services shall be provided to the Board as the legislative body of CFD No. 2021-02 in accordance with Section 53321.5 of the Mello-Roos Act. Based on this analysis, the property to be annexed, pursuant to California Government Code section 53339 et. seq. will be assigned an appropriate Maximum Special Tax rate for the Zone or areas within the Zone by Land Use Class as provided herein or as defined and detailed when annexed and included in Exhibit A.

E APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2021-2022 and for each following Fiscal Year, the County shall levy the Special Tax as follows:

<u>First</u>: Determine the Developed Property Special Tax Requirement and Proportionately levy the Special Tax on each Assessor's Parcel of Developed Property until the amount levied on Developed Property is equal to the lesser of (i) the Developed Property Special Tax Requirement, or (ii) 100% of the applicable Maximum Special Tax for Developed Property;

<u>Second</u>: Determine the Final Mapped Property/Undeveloped Property Special Tax Requirement and Proportionately levy the Special Tax on each Assessor's Parcel of Final Mapped Property until the amount levied on Final Mapped Property is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Special Tax Requirement, or (ii) 100% of the applicable Maximum Special Tax for Final Mapped Property;

<u>Third</u>: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property until the amount levied on Undeveloped Property is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Special Tax Requirement less the amount levied pursuant to the second step above, or (ii) 100% of the applicable Maximum Special Tax for Undeveloped Property.

F PREPAYMENT

No prepayments of the Special Tax are permitted.

G EXEMPTIONS

No Special Tax shall be levied on (i) Assessor's Parcels which are Public Property, Property Owner Association Property, Affordable Housing Property, or Exempt Welfare Exemption Property; (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization; (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement; (iv) Assessor's Parcels which are privately owned and are encumbered by or restricted solely for public uses; or (v) Assessor's Parcels restricted to other types of public uses determined by the Board.

H APPEALS AND INTERPRETATIONS

Any taxpayer may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the clerk of the Board, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

Interpretations may be made by the Board by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

I MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2021-02 may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

J TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to meet the Annual Special Tax Requirement, unless no longer required to pay for Authorized Services as determined at the discretion of the Board.

EXHIBIT A

MAXIMUM SPECIAL TAXES BY ZONE

COUNTY OF LOS ANGELES

COMMUNITY FACILITIES DISTRICT NO. 2021-02 (VALENCIA-SERVICES)

Table A-1: Maximum Special Tax Rates for Developed Property

Zone 1

(Fiscal Year 2021-2022)

Land Use Class	Description	Fiscal Year 2021-2022 Maximum Special Tax
1	DETACHED PROPERTY	$615 PER DWELLING UNIT
2	CLUSTER PROPERTY	$567 PER DWELLING UNIT
3	ATTACHED PROPERTY	$476 PER DWELLING UNIT
4	AFFORDABLE HOUSING	$0 PER DWELLING UNIT
5	APARTMENT PROPERTY	$0.29 PER SQUARE FOOT OF APARTMENT FLOOR AREA
6	NON-RESIDENTIAL PROPERTY	$0.29 PER SQUARE FOOT OF NON-RESIDENTIAL FLOOR AREA

Increases in the Maximum Special Tax

On each July 1, commencing on July 1, 2022, the Maximum Special Tax for Developed Property shall be increased annually by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

Final Mapped Property

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property shall be $8,402 per Acre, and shall increase annually thereafter, commencing on July 1, 2022 and on July 1 of each Fiscal Year thereafter, by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

Undeveloped Property

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property shall be $8,402 per Acre, and shall increase annually thereafter, commencing on July 1, 2022 and on July 1 of each Fiscal Year thereafter, by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

APPENDIX B

County of Los Angeles
Community Facilities District Report
Community Facilities District No. 2021-02 (Valencia-Services)

BOUNDARY MAP

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA - SERVICES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

ATTEST: CELIA ZAVALA
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By ________, Deputy

Assessor Parcels within the Boundary of
County of Los Angeles Community Facilities District No. 2021-02 (Valencia - Services), County of Los Angeles:

2826-003-021	2826-175-001	2826-182-001	2826-186-017	2826-187-022	2826-188-036	2826-189-025	2826-190-016
2826-003-038	2826-175-002	2826-182-002	2826-186-018	2826-187-023	2826-188-037	2826-189-026	2826-190-017
2826-003-050	2826-175-003	2826-182-003	2826-186-019	2826-187-024	2826-188-038	2826-189-027	2826-190-018
2826-003-051	2826-175-004	2826-182-004	2826-186-020	2826-188-001	2826-188-039	2826-189-028	2826-190-019
2826-166-003	2826-175-005	2826-182-005	2826-186-021	2826-188-002	2826-188-040	2826-189-029	2826-190-020
2826-166-004	2826-175-006	2826-182-006	2826-186-022	2826-188-003	2826-188-041	2826-189-030	2826-190-021
2826-167-002	2826-175-007	2826-182-007	2826-186-023	2826-188-004	2826-188-042	2826-189-031	2826-190-022
2826-167-003	2826-175-008	2826-183-001	2826-186-024	2826-188-005	2826-188-043	2826-189-032	2826-190-023
2826-168-001	2826-176-001	2826-183-002	2826-186-025	2826-188-006	2826-188-044	2826-189-033	2826-190-024
2826-168-002	2826-176-002	2826-183-003	2826-186-026	2826-188-007	2826-188-045	2826-189-034	2826-190-025
2826-168-003	2826-176-003	2826-183-004	2826-186-027	2826-188-008	2826-188-046	2826-189-035	2826-190-026
2826-168-004	2826-176-004	2826-184-001	2826-186-028	2826-188-009	2826-188-047	2826-189-036	2826-190-027
2826-168-005	2826-177-001	2826-184-002	2826-186-029	2826-188-010	2826-188-048	2826-189-037	2826-190-028
2826-168-006	2826-177-002	2826-184-003	2826-186-030	2826-188-011	2826-188-049	2826-189-038	2826-190-029
2826-169-001	2826-177-003	2826-185-001	2826-186-031	2826-188-012	2826-189-001	2826-189-039	2826-190-030
2826-169-002	2826-177-004	2826-185-003	2826-186-032	2826-188-013	2826-189-002	2826-189-040	2826-190-031
2826-170-001	2826-177-005	2826-185-004	2826-186-033	2826-188-014	2826-189-003	2826-189-041	2826-190-032
2826-171-001	2826-177-006	2826-185-005	2826-187-001	2826-188-015	2826-189-004	2826-189-042	2826-190-033
2826-171-002	2826-177-007	2826-185-006	2826-187-002	2826-188-016	2826-189-005	2826-189-043	2826-190-034
2826-171-003	2826-177-008	2826-185-007	2826-187-003	2826-188-017	2826-189-006	2826-189-044	2826-190-035
2826-171-004	2826-178-001	2826-185-008	2826-187-004	2826-188-018	2826-189-007	2826-189-045	2826-190-036
2826-171-005	2826-178-002	2826-185-010	2826-187-005	2826-188-019	2826-189-008	2826-189-046	2826-190-037
2826-171-006	2826-178-003	2826-186-001	2826-187-006	2826-188-020	2826-189-009	2826-189-047	2826-190-038
2826-171-007	2826-178-004	2826-186-002	2826-187-007	2826-188-021	2826-189-010	2826-190-001	2826-191-001
2826-172-001	2826-179-001	2826-186-003	2826-187-008	2826-188-022	2826-189-011	2826-190-002	2826-191-002
2826-172-002	2826-179-002	2826-186-004	2826-187-009	2826-188-023	2826-189-012	2826-190-003	2826-191-003
2826-172-004	2826-179-003	2826-186-005	2826-187-010	2826-188-024	2826-189-013	2826-190-004	2826-191-004
2826-173-001	2826-179-004	2826-186-006	2826-187-011	2826-188-025	2826-189-014	2826-190-005	2826-191-005
2826-173-002	2826-179-005	2826-186-007	2826-187-012	2826-188-026	2826-189-015	2826-190-006	2826-191-006
2826-173-003	2826-180-001	2826-186-008	2826-187-013	2826-188-027	2826-189-016	2826-190-007	2826-192-001
2826-173-004	2826-180-002	2826-186-009	2826-187-014	2826-188-028	2826-189-017	2826-190-008	2826-192-002
2826-174-001	2826-180-003	2826-186-010	2826-187-015	2826-188-029	2826-189-018	2826-190-009	2826-192-003
2826-174-002	2826-180-004	2826-186-011	2826-187-016	2826-188-030	2826-189-019	2826-190-010	2826-192-004
2826-174-003	2826-180-005	2826-186-012	2826-187-017	2826-188-031	2826-189-020	2826-190-011	2826-192-005
2826-174-004	2826-180-006	2826-186-013	2826-187-018	2826-188-032	2826-189-021	2826-190-012	2826-192-006
2826-174-005	2826-180-007	2826-186-014	2826-187-019	2826-188-033	2826-189-022	2826-190-013	2826-192-007
2826-174-006	2826-180-008	2826-186-015	2826-187-020	2826-188-034	2826-189-023	2826-190-014	2826-192-008
2826-174-007	2826-181-001	2826-186-016	2826-187-021	2826-188-035	2826-189-024	2826-190-015	

Prepared by DTA

(1) Filed in the office of the Executive Officer of the Board of Supervisors of Los Angeles County this 26th day of January, 2021.

Celia Zavala,
Executive Officer of the Board of Supervisors
Los Angeles County, California

(2) I hereby certify that the within map showing the proposed boundaries of County of Los Angeles Community Facilities District No. 2021-02 (Valencia - Services), County of Los Angeles, State of California, was approved by the Board of Supervisors at a regular meeting thereof, held on this 26th day of January, 2021, by its Resolution No. 79134.

Celia Zavala,
Executive Officer of the Board of Supervisors
Los Angeles County, California

(3) Filed this 4th day of February, 2021, at the hour of 8:04 o'clock A.m, in Book 195 of Maps of Assessment and Community Facilities Districts at Page 84-87 and as Instrument No. 2021-10197580 in the office of the County Recorder in the County of Los Angeles, State of California.

Dean C. Logan
Registrar-Recorder/County Clerk, County of Los Angeles
By ________
Deputy
Fee 0

Exempt recording requested,
per CA Government Code §27383

SHEET 2 OF 4

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA - SERVICES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

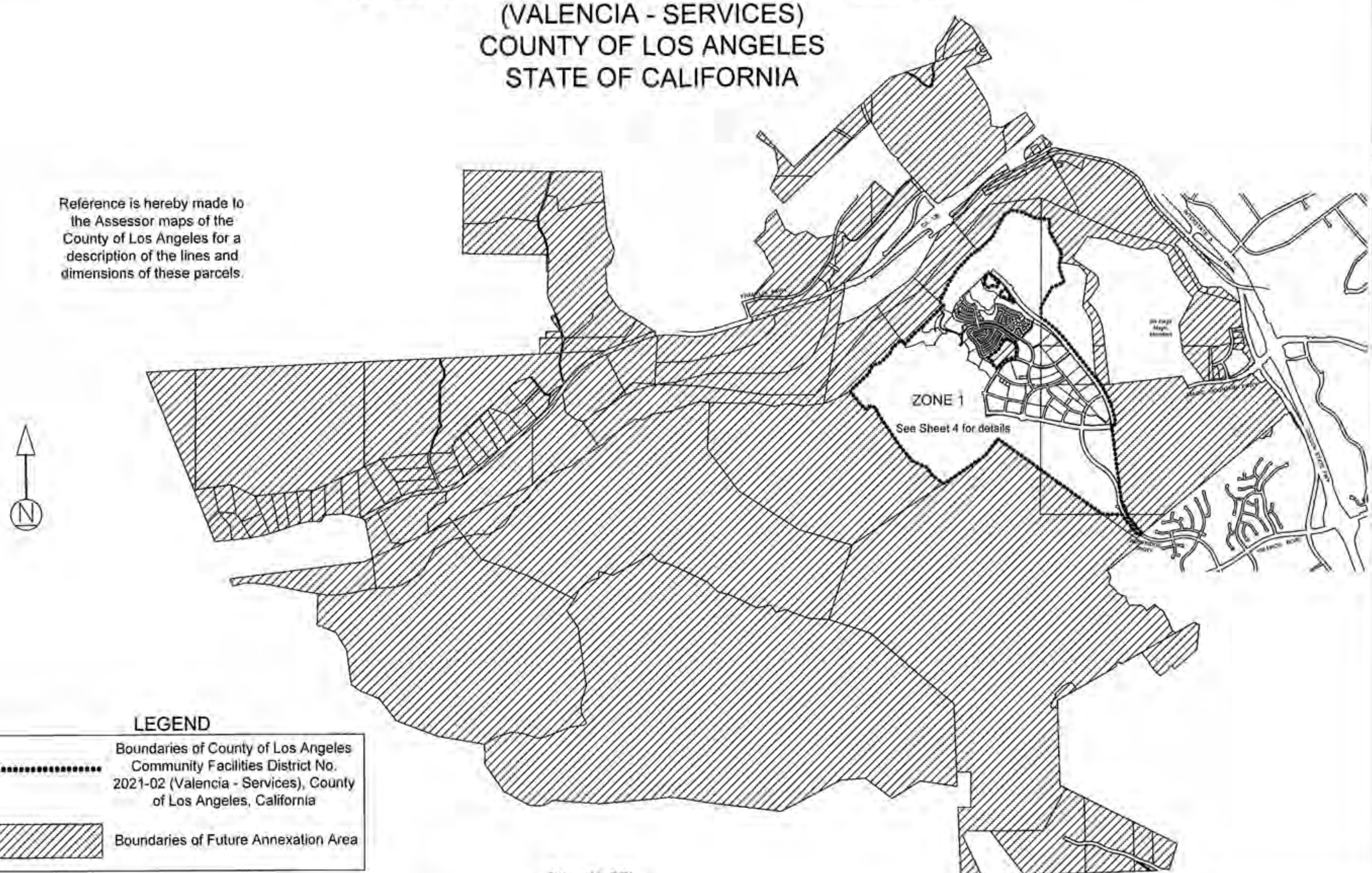
Assessor Parcels within the Future Annexation Area of
County of Los Angeles Community Facilities District No. 2021-02 (Valencia - Services), County of Los Angeles:

2826-002-018	2826-006-008	2826-163-002	3271-003-041	3272-039-024
2826-002-019	2826-007-021	2826-163-008	3271-003-043	3272-040-008
2826-002-020	2826-008-028	2826-163-009	3271-030-084	3272-040-009
2826-002-021	2826-008-034	2826-163-010	3271-030-085	3272-040-017
2826-002-022	2826-008-039	2826-163-011	3271-030-086	3272-040-018
2826-002-023	2826-008-044	2826-163-013	3271-030-087	3272-040-019
2826-002-024	2826-009-050	2826-163-031	3271-030-088	3272-040-020
2826-002-025	2826-009-052	2826-172-003	3271-030-089	3272-040-021
2826-003-039	2826-009-053	2826-185-002	3271-030-090	3272-040-022
2826-003-044	2826-009-081	2866-001-001	3272-023-008	3272-040-023
2826-003-045	2826-009-086	2866-002-045	3272-024-003	
2826-003-046	2826-009-104	2866-002-052	3272-024-004	
2826-003-047	2826-009-105	2866-002-061	3272-038-001	
2826-003-048	2826-009-106	2866-002-063	3272-038-002	
2826-003-052	2826-070-019	2866-003-008	3272-038-006	
2826-004-019	2826-116-025	2866-003-009	3272-038-020	
2826-004-020	2826-122-001	2866-003-010	3272-038-021	
2826-004-028	2826-122-004	2866-003-011	3272-038-022	
2826-004-030	2826-122-005	3271-001-038	3272-038-023	
2826-004-033	2826-122-006	3271-002-017	3272-038-024	
2826-004-041	2826-122-007	3271-002-038	3272-038-025	
2826-004-042	2826-122-008	3271-003-031	3272-038-026	
2826-004-043	2826-122-009	3271-003-033	3272-038-027	
2826-004-044	2826-122-010	3271-003-034	3272-039-007	
2826-005-007	2826-122-011	3271-003-035	3272-039-008	
2826-005-008	2826-122-012	3271-003-036	3272-039-009	
2826-005-009	2826-123-001	3271-003-037	3272-039-018	
2826-005-010	2826-123-002	3271-003-038	3272-039-020	
2826-005-012	2826-123-003	3271-003-039	3272-039-021	
2826-005-013	2826-134-035	3271-003-040	3272-039-022	
	2826-163-001		3272-039-023	

Prepared by DTA

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA - SERVICES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

Reference is hereby made to the Assessor maps of the County of Los Angeles for a description of the lines and dimensions of these parcels.



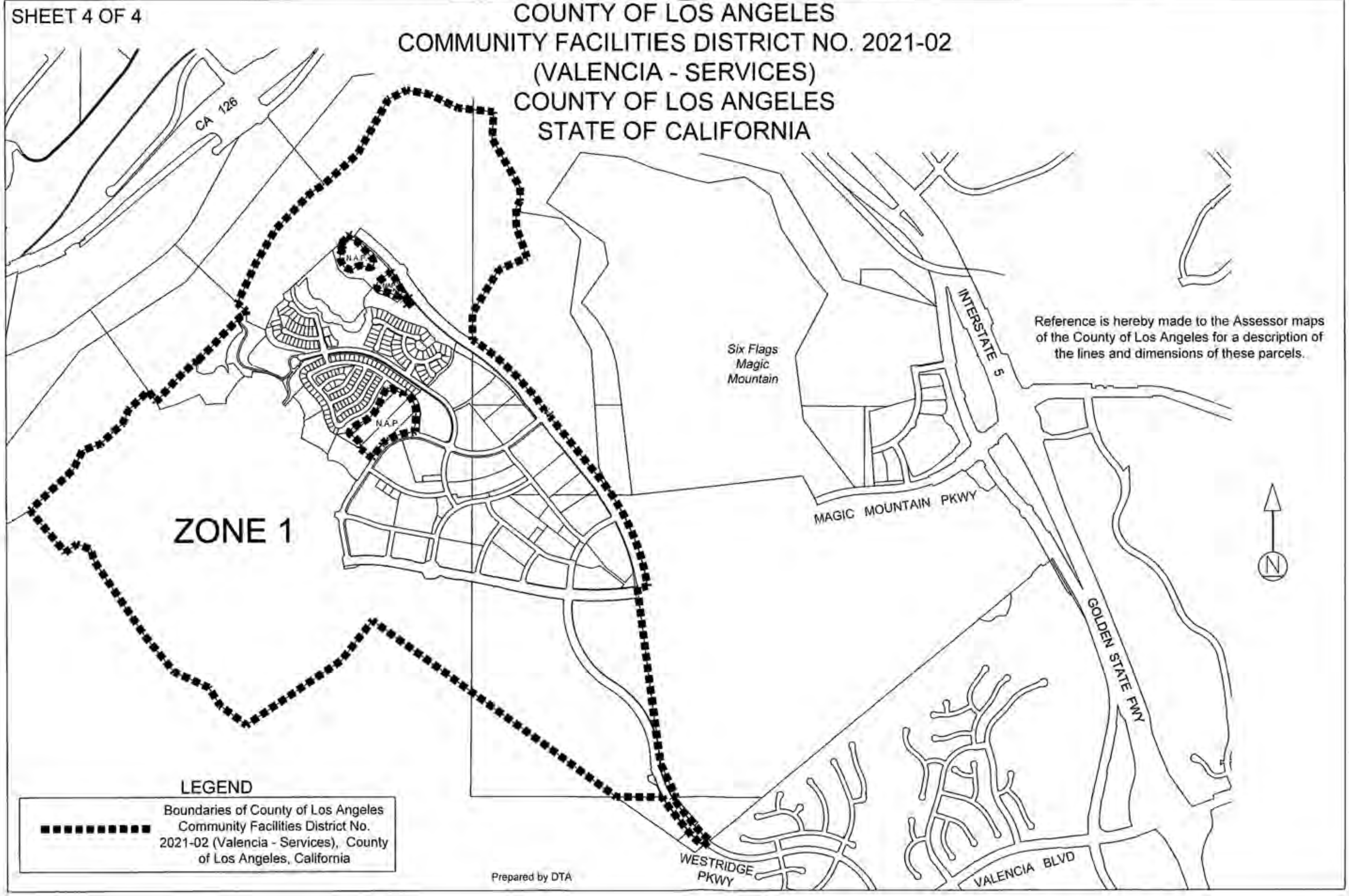
LEGEND

Boundaries of County of Los Angeles Community Facilities District No. 2021-02 (Valencia - Services), County of Los Angeles, California

Boundaries of Future Annexation Area

Prepared by DTA

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA - SERVICES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA



LEGEND

Boundaries of County of Los Angeles Community Facilities District No. 2021-02 (Valencia - Services), County of Los Angeles, California

Prepared by DTA

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES APPROVING A JOINT COMMUNITY FACILITIES AGREEMENT RELATING TO THE COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-02 (VALENCIA-SERVICES)

WHEREAS, on January 26, 2021, the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopted a resolution (the "Resolution of Intention") stating its intention to establish County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services) ("Community Facilities District No. 2021-02" or the "District") and designate territory proposed for annexation to the District in the future (the "Future Annexation Area"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, in connection with the proposed formation of the District and pursuant to Section 53316.2 of the Act, the County desires to enter into a Joint Community Facilities Agreement (the "Recreation Authority JCFA") with The Newhall Ranch High Country Recreation and Conservation Authority (the "Recreation Authority") and The Newhall Land and Farming Company (a California Limited Partnership) relating to certain services proposed to be financed by the District (the "Services") and provided by the Recreation Authority; and

WHEREAS, the form of Recreation Authority JCFA is attached hereto as Exhibit A.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

<u>SECTION 1.</u> Each of the above recitals is true and correct.

<u>SECTION 2.</u> The County is authorized by the Act and by the proposed Recreation Authority JCFA to contribute revenue to, or to provide the Services, all in accordance with the Act. The Board of Supervisors finds and determines that the proposed Services are necessary to meet the increased demand that will be placed upon local agencies and public services as a result of new development within the District (as currently configured and as expanded through annexation of the Future Annexation Area), and that the Services to be financed and the Recreation Authority JCFA would be beneficial to the residents of the County and the future residents of the District.

<u>SECTION 3.</u> The Board of Supervisors hereby approves the execution and delivery of the Recreation Authority JCFA, substantially in the form attached hereto as Exhibit A, and any one of the Chair of the Board of Supervisors, the Chief Executive Officer of the County, and their designees, is authorized and directed to execute and deliver the Recreation Authority JCFA, together with such changes as are approved by the officer executing the same, with the approval of such changes to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. This Resolution shall be effective upon its adoption.

The foregoing resolution was adopted on the 9th day of MARCH, 2021, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

CELIA ZAVALA, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: ______________________
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
County Counsel

By: ______________________
Deputy County Counsel

EXHIBIT A

JOINT COMMUNITY FACILITIES AGREEMENT FOR
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA-SERVICES)

JOINT COMMUNITY FACILITIES AGREEMENT

among

COUNTY OF LOS ANGELES
and
THE NEWHALL RANCH HIGH COUNTRY RECREATION AND CONSERVATION AUTHORITY
and
THE NEWHALL LAND AND FARMING COMPANY (A CALIFORNIA LIMITED PARTNERSHIP),
a California limited partnership,
relating to

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA-SERVICES)

JOINT COMMUNITY FACILITIES AGREEMENT

THIS JOINT COMMUNITY FACILITIES AGREEMENT (the "Agreement") is entered into and effective as of the 9TH day of MARCH, 2021, by and among the COUNTY OF LOS ANGELES, a political subdivision of the State of California (the "County"), THE NEWHALL RANCH HIGH COUNTRY RECREATION AND CONSERVATION AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), and THE NEWHALL LAND AND FARMING COMPANY (A CALIFORNIA LIMITED PARTNERSHIP), a California limited partnership (the "Company"), and relates to COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-02 (VALENCIA-SERVICES) (the "District") for the purpose of financing certain public services authorized by Section 53313 of the Government Code of the State of California, including, but not limited to the public services more particularly described on Exhibit A hereto (the "Maintenance Services") to be performed by, or on behalf of, the Authority.

R E C I T A L S:

A. The Company is the master developer of the land described in Exhibit B hereto (the "Property") which is located in the unincorporated area of the County of Los Angeles.

B. The Company as the master developer of the Property intends to obtain, or has obtained, the necessary development approvals to construct up to 25,000 residential units and approximately 11.5 million square feet of commercial/industrial/retail development on the Property and to provide the required public services to meet the demands for such units and development. The required public services include the Maintenance Services.

C. The County will have primary responsibility for the formation and administration of the District.

D. The Company has requested the Board of Supervisors of the County (the "Board") to form and establish the District and designate future areas to annex into the District (the "Future Annexation Area") on the Property pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part I of Division 2 of Title 5 of the California Government Code (the "Act").

E. This Agreement applies to the District as it exists when formed and as it expands with the annexation of property in the Future Annexation Area.

F. The provision of the Maintenance Services is necessitated by the development of the Property and the parties hereto find and determine that the residents residing within the boundaries of the District (as it exists when formed and as it expands with the annexation of property in the Future Annexation Area) will be benefited by the provision of the Maintenance Services and that this Agreement is beneficial to the interests of such residents.

G. The parties hereto intend to have the District assist in financing the Maintenance Services required by Specific Plan Section 4.6-42 by disbursing to the Authority a portion of the special taxes for services levied and collected within the District as provided for in the formation proceedings of the District in the amount of $24 for each single family detached dwelling unit and

$15 for each single-family attached dwelling unit, with no special tax on non-residential or affordable housing units (the "Maintenance Services Amount"); provided that: on each July 1 commencing on July 1, 2022, the Maintenance Services Amount shall be increased annually by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

H. The District, when formed, is authorized by Section 53313.5 of the Act to assist in the financing of the cost of providing the Maintenance Services by levying special taxes in the District for the Maintenance Services Amount. This Agreement constitutes a joint community facilities agreement, within the meaning of Section 53316.2 of the Act, by and among the County, the Authority and the Company, pursuant to which the District (as it exists when initially formed and as it expands with the annexation of property in the Future Annexation Area), will be authorized to levy special taxes for the Maintenance Services Amount to finance the costs of providing the Maintenance Services. As authorized by Section 53316.6 of the Act, responsibility for providing the Maintenance Services is delegated to the Authority to the extent set forth herein.

I. The parties hereto intend to have the District levy special taxes in the District for the Maintenance Services Amount so as to assist in financing the costs of providing the Maintenance Services by transferring to the Authority (or directly to others at the Authority's request) a portion of the special taxes for services levied and collected within the District, in accordance with the terms of this Agreement and pursuant to the Act, equal to the Maintenance Services Amount actually collected by the District.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. Recitals.

Each of the above recitals is incorporated herein and is true and correct.

2. Proposed Formation of the District.

At the request of the Company, the County has undertaken to analyze the appropriateness of forming the District to finance the costs of providing the Maintenance Services and other public services. The County has retained, at the Company's expense, the necessary consultants to analyze the proposed formation of the District, including an engineer, special tax consultant, counsel, appraiser and other consultants deemed necessary by the County.

3. Provision of Maintenance Services.

The Authority shall provide the Maintenance Services in accordance with applicable law.

4. Levy and Allocation of Special Taxes.

The Board, as the legislative body of the District, shall annually levy a special tax for services in the amount of the Maintenance Services Amount as provided for in the formation proceedings of the District.

Within 30 business days of the County's receipt of the special taxes for services from the County Auditor, the County shall disburse the full amount of such Maintenance Services Amount collected by the District, less an amount equal to the administrative costs incurred with respect to the levy and collection of the special taxes for services, to the Authority.

In no event will an act, or an omission or failure to act, by the County or the District with respect to the disbursement or non-disbursement of the full amount of the Maintenance Services Amount subject the District or the County to pecuniary liability hereunder.

5. Amendment.

This Agreement may be amended at any time but only in writing signed by each party hereto.

6. Entire Agreement.

This Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

7. Notices.

Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or seventy-two hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

County:	County of Los Angeles Kenneth Hahn Hall of Administration 500 West Temple Street, Room 432 Los Angeles, CA 90012 Attention: Daniel L. Wiles
the Authority:	Newhall Ranch High Country Recreation and Conservation Authority c/o Los Angeles River Center & Gardens 570 West Avenue 26, Suite 100 Los Angeles, CA 90065 Attention: Jeff Maloney

Company:	The Newhall Land and Farming Company (A California Limited Partnership) c/o Five Points Holdings, LLC, 15131 Alton Parkway, 4th Floor, Irvine, California 92618 Attention: Lynn Jochim Richard Leigh With a copy to: The Newhall Land and Farming Company (A California Limited Partnership) c/o Five Point Holdings, LLC, 15131 Alton Parkway, 4th Floor, Irvine, California 92618, Attention: Legal Notices

Each party may change its address for delivery of notice by delivering written notice of such change of address to the other parties hereto.

8. Exhibits.

All exhibits attached hereto are incorporated into this Agreement by reference.

9. Severability.

If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

10. Governing Law and Venue.

This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Los Angeles County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

11. Waiver.

Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other parties hereto, or the failure by a party to exercise its rights upon the default of another party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other parties with the terms of this Agreement thereafter.

12. No Third Party Beneficiaries.

No person or entity other than the District, when and if formed, shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than the Authority, the County, the District and the Company (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

13. Singular and Plural; Gender.

As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

14. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and first year written above.

COUNTY OF LOS ANGELES

By: ______________________________
Chair of the Board of Supervisors

ATTEST:

CELIA ZAVALA
Executive Officer-Clerk of the Board of Supervisors

By:______________________________
Deputy

APPROVED AS TO FORM:
RODRIGO A. CASTRO-SILVA
County Counsel

By:______________________________
Deputy County Counsel

THE NEWHALL RANCH HIGH COUNTRY RECREATION AND CONSERVATION AUTHORITY

By: ORIGNAL SIGNED
Name: Joseph T. Edmiston, FAICP, Hon. ASLA
Its: Executive Officer

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and first year written above.

COUNTY OF LOS ANGELES

By: ORIGNAL SIGNED
Chair of the Board of Supervisors

ATTEST:

CELIA ZAVALA
Executive Officer-Clerk of the Board of Supervisors

By: ORIGNAL SIGNED
Deputy

APPROVED AS TO FORM:
RODRIGO A. CASTRO-SILVA
County Counsel

By: ORIGNAL SIGNED
Deputy County Counsel

THE NEWHALL RANCH HIGH COUNTRY RECREATION AND CONSERVATION AUTHORITY

By:
Name: Joseph T. Edmiston, FAICP, Hon. ASLA
Its: Executive Officer

THE NEWHALL LAND AND FARMING COMPANY (A CALIFORNIA LIMITED PARTNERSHIP),
a California limited partnership

By: NWHL GP LLC,
a Delaware limited liability company,
its General Partner

By: [signature]

Name: LYNN JOCHIM

Title: Vice President

By: [signature]

Name: Michael Alvarado

Vice President and Secretary

Title:

EXHIBIT A

DESCRIPTION OF MAINTENANCE SERVICES

The Authority will acquire, develop, improve, manage, and conserve park and open space lands dedicated for public purposes of passive and active recreation, wildlife habitat protection, and conservation projects for lands set aside for public open space purposes pursuant to the County of Los Angeles Board of Supervisors approval of the Newhall Ranch project and any other land dedication from Newhall Land or its successors and to implement the terms and conditions, as applicable, pursuant to the Joint Exercise of Powers Agreement Between the City of Santa Clarita, the Santa Monica Mountains Conservancy, and the County of Los Angeles.

EXHIBIT B

DESCRIPTION OF PROPERTY

The Property consists of the land shown on the attached map as both Zone 1 and the Future Annexation Area.

SHEET 1 OF 4

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA - SERVICES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

ATTEST: CELIA ZAVALA
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By Tanya Ruiz, Deputy

Assessor Parcels within the Boundary of
County of Los Angeles Community Facilities District No. 2021-02 (Valencia - Services), County of Los Angeles:

2826-003-021	2826-175-001	2826-182-001	2826-186-017	2826-187-022	2826-188-036	2826-189-025	2826-190-016
2826-003-038	2826-175-002	2826-182-002	2826-186-018	2826-187-023	2826-188-037	2826-189-026	2826-190-017
2826-003-050	2826-175-003	2826-182-003	2826-186-019	2826-187-024	2826-188-038	2826-189-027	2826-190-018
2826-003-051	2826-175-004	2826-182-004	2826-186-020	2826-188-001	2826-188-039	2826-189-028	2826-190-019
2826-166-003	2826-175-005	2826-182-005	2826-186-021	2826-188-002	2826-188-040	2826-189-029	2826-190-020
2826-166-004	2826-175-006	2826-182-006	2826-186-022	2826-188-003	2826-188-041	2826-189-030	2826-190-021
2826-167-002	2826-175-007	2826-182-007	2826-186-023	2826-188-004	2826-188-042	2826-189-031	2826-190-022
2826-167-003	2826-175-008	2826-183-001	2826-186-024	2826-188-005	2826-188-043	2826-189-032	2826-190-023
2826-168-001	2826-176-001	2826-183-002	2826-186-025	2826-188-006	2826-188-044	2826-189-033	2826-190-024
2826-168-002	2826-176-002	2826-183-003	2826-186-026	2826-188-007	2826-188-045	2826-189-034	2826-190-025
2826-168-003	2826-176-003	2826-183-004	2826-186-027	2826-188-008	2826-188-046	2826-189-035	2826-190-026
2826-168-004	2826-176-004	2826-184-001	2826-186-028	2826-188-009	2826-188-047	2826-189-036	2826-190-027
2826-168-005	2826-177-001	2826-184-002	2826-186-029	2826-188-010	2826-188-048	2826-189-037	2826-190-028
2826-168-006	2826-177-002	2826-184-003	2826-186-030	2826-188-011	2826-188-049	2826-189-038	2826-190-029
2826-169-001	2826-177-003	2826-185-001	2826-186-031	2826-188-012	2826-189-001	2826-189-039	2826-190-030
2826-169-002	2826-177-004	2826-185-003	2826-186-032	2826-188-013	2826-189-002	2826-189-040	2826-190-031
2826-170-001	2826-177-005	2826-185-004	2826-186-033	2826-188-014	2826-189-003	2826-189-041	2826-190-032
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2826-171-007	2826-178-004	2826-186-002	2826-187-007	2826-188-021	2826-189-010	2826-190-001	2826-191-001
2826-172-001	2826-179-001	2826-186-003	2826-187-008	2826-188-022	2826-189-011	2826-190-002	2826-191-002
2826-172-002	2826-179-002	2826-186-004	2826-187-009	2826-188-023	2826-189-012	2826-190-003	2826-191-003
2826-172-004	2826-179-003	2826-186-005	2826-187-010	2826-188-024	2826-189-013	2826-190-004	2826-191-004
2826-173-001	2826-179-004	2826-186-006	2826-187-011	2826-188-025	2826-189-014	2826-190-005	2826-191-005
2826-173-002	2826-179-005	2826-186-007	2826-187-012	2826-188-026	2826-189-015	2826-190-006	2826-191-006
2826-173-003	2826-180-001	2826-186-008	2826-187-013	2826-188-027	2826-189-016	2826-190-007	2826-192-001
2826-173-004	2826-180-002	2826-186-009	2826-187-014	2826-188-028	2826-189-017	2826-190-008	2826-192-002
2826-174-001	2826-180-003	2826-186-010	2826-187-015	2826-188-029	2826-189-018	2826-190-009	2826-192-003
2826-174-002	2826-180-004	2826-186-011	2826-187-016	2826-188-030	2826-189-019	2826-190-010	2826-192-004
2826-174-003	2826-180-005	2826-186-012	2826-187-017	2826-188-031	2826-189-020	2826-190-011	2826-192-005
2826-174-004	2826-180-006	2826-186-013	2826-187-018	2826-188-032	2826-189-021	2826-190-012	2826-192-006
2826-174-005	2826-180-007	2826-186-014	2826-187-019	2826-188-033	2826-189-022	2826-190-013	2826-192-007
2826-174-006	2826-180-008	2826-186-015	2826-187-020	2826-188-034	2826-189-023	2826-190-014	2826-192-008
2826-174-007	2826-181-001	2826-186-016	2826-187-021	2826-188-035	2826-189-024	2826-190-015	

Prepared by DTA

(1) Filed in the office of the Executive Officer of the Board of Supervisors of Los Angeles County this 26th day of January, 2021.

Celia Zavala
Celia Zavala,
Executive Officer of the Board of Supervisors
Los Angeles County, California

(2) I hereby certify that the within map showing the proposed boundaries of County of Los Angeles Community Facilities District No. 2021-02 (Valencia - Services), County of Los Angeles, State of California, was approved by the Board of Supervisors at a regular meeting thereof, held on this 26th day of January, 2021, by its Resolution No. 79134.

Celia Zavala
Celia Zavala,
Executive Officer of the Board of Supervisors
Los Angeles County, California

(3) Filed this 4th day of February, 2021, at the hour of 8:04 o'clock A.m. in Book 195 of Maps of Assessment and Community Facilities Districts at Page 84 B7 and as Instrument No. 2021-10197580 in the office of the County Recorder in the County of Los Angeles, State of California.

Dean C. Logan
Registrar-Recorder/County Clerk, County of Los Angeles
By Dean C. Logan
Deputy
Fee 0

Exempt recording requested,
per CA Government Code §27383

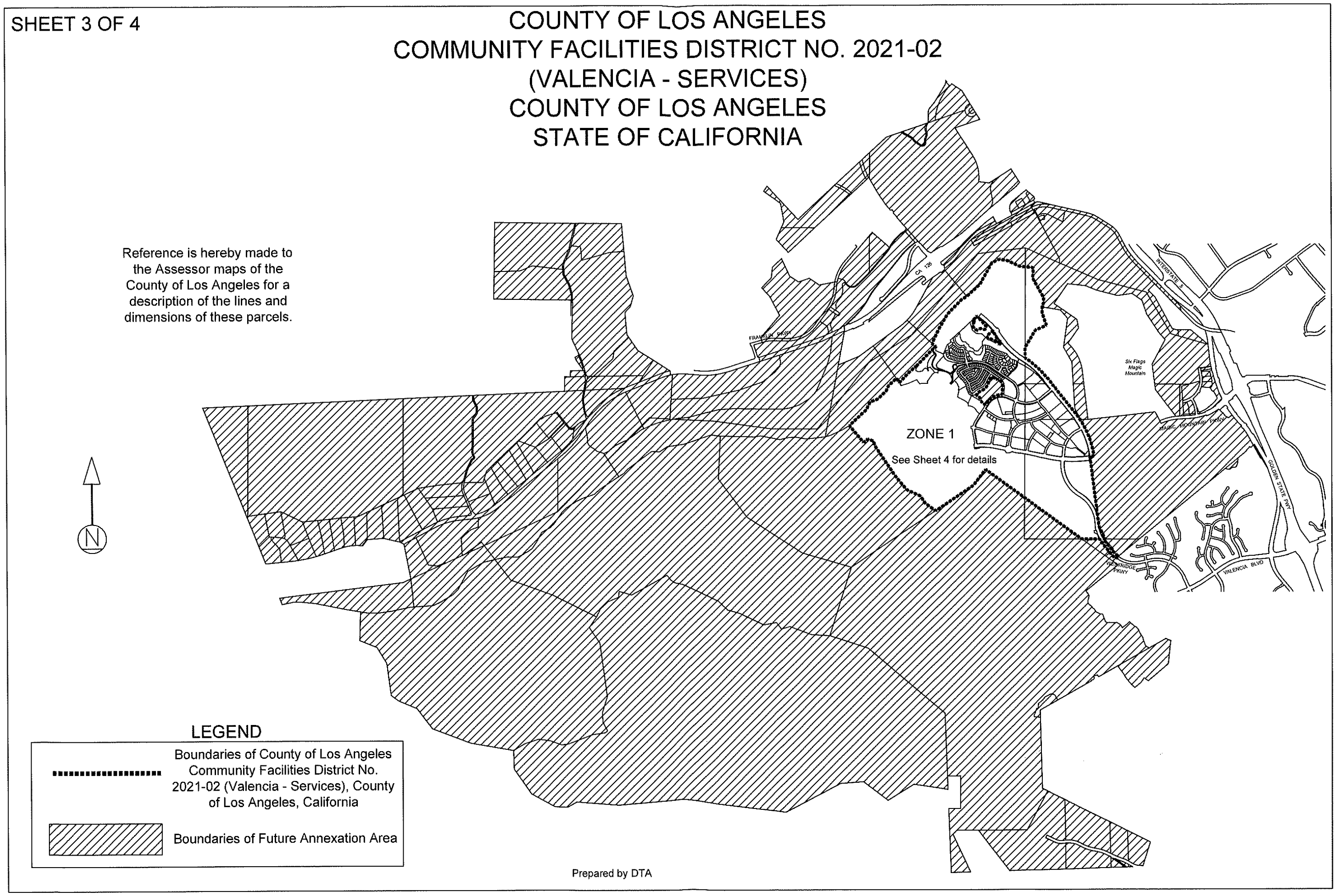
SHEET 2 OF 4

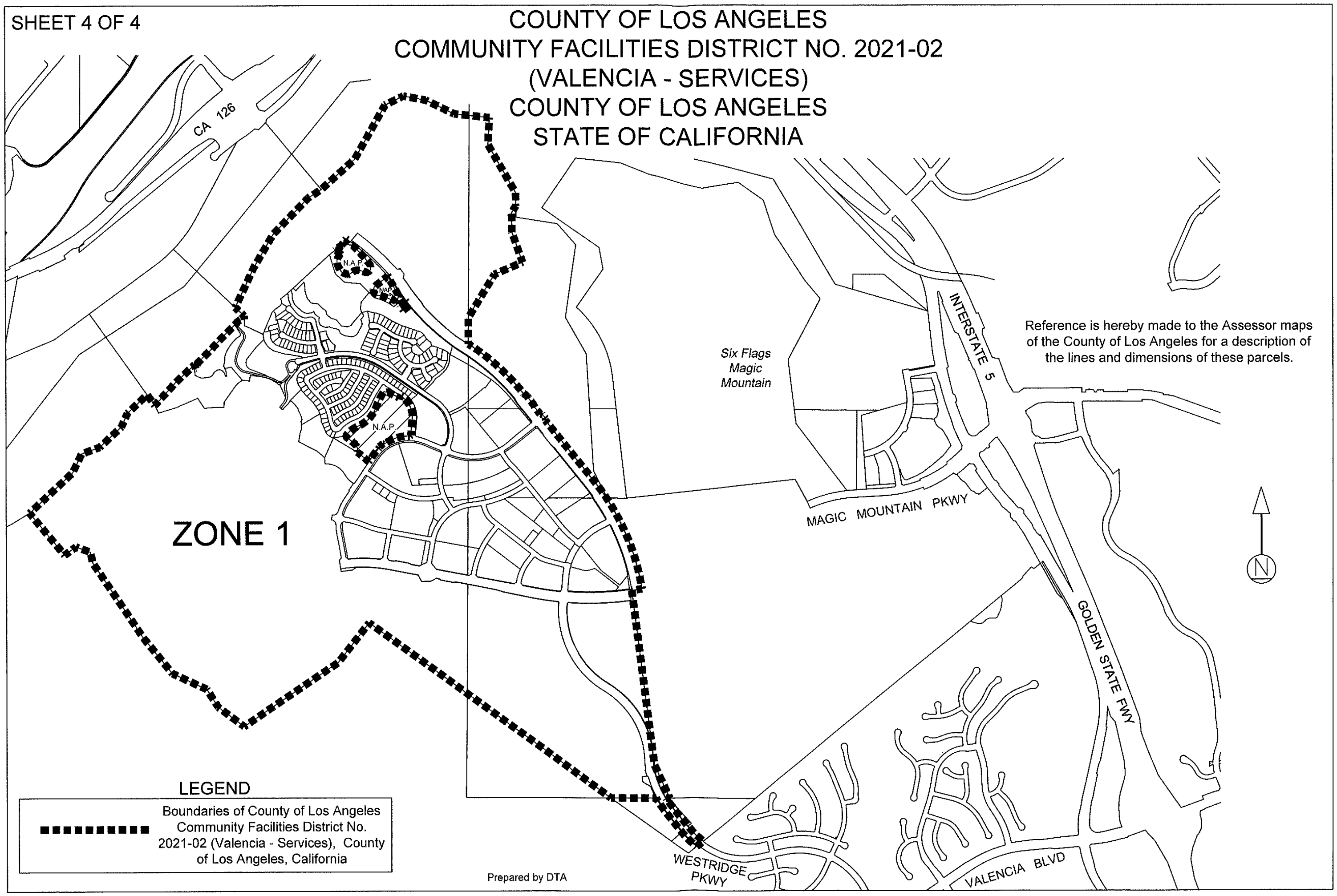
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA - SERVICES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

Assessor Parcels within the Future Annexation Area of
County of Los Angeles Community Facilities District No. 2021-02 (Valencia - Services), County of Los Angeles:

2826-002-018	2826-006-008	2826-163-002	3271-003-041	3272-039-024
2826-002-019	2826-007-021	2826-163-008	3271-003-043	3272-040-008
2826-002-020	2826-008-028	2826-163-009	3271-030-084	3272-040-009
2826-002-021	2826-008-034	2826-163-010	3271-030-085	3272-040-017
2826-002-022	2826-008-039	2826-163-011	3271-030-086	3272-040-018
2826-002-023	2826-008-044	2826-163-013	3271-030-087	3272-040-019
2826-002-024	2826-009-050	2826-163-031	3271-030-088	3272-040-020
2826-002-025	2826-009-052	2826-172-003	3271-030-089	3272-040-021
2826-003-039	2826-009-053	2826-185-002	3271-030-090	3272-040-022
2826-003-044	2826-009-081	2866-001-001	3272-023-008	3272-040-023
2826-003-045	2826-009-086	2866-002-045	3272-024-003	
2826-003-046	2826-009-104	2866-002-052	3272-024-004	
2826-003-047	2826-009-105	2866-002-061	3272-038-001	
2826-003-048	2826-009-106	2866-002-063	3272-038-002	
2826-003-052	2826-070-019	2866-003-008	3272-038-006	
2826-004-019	2826-116-025	2866-003-009	3272-038-020	
2826-004-020	2826-122-001	2866-003-010	3272-038-021	
2826-004-028	2826-122-004	2866-003-011	3272-038-022	
2826-004-030	2826-122-005	3271-001-038	3272-038-023	
2826-004-033	2826-122-006	3271-002-017	3272-038-024	
2826-004-041	2826-122-007	3271-002-038	3272-038-025	
2826-004-042	2826-122-008	3271-003-031	3272-038-026	
2826-004-043	2826-122-009	3271-003-033	3272-038-027	
2826-004-044	2826-122-010	3271-003-034	3272-039-007	
2826-005-007	2826-122-011	3271-003-035	3272-039-008	
2826-005-008	2826-122-012	3271-003-036	3272-039-009	
2826-005-009	2826-123-001	3271-003-037	3272-039-018	
2826-005-010	2826-123-002	3271-003-038	3272-039-020	
2826-005-012	2826-123-003	3271-003-039	3272-039-021	
2826-005-013	2826-134-035	3271-003-040	3272-039-022	
	2826-163-001		3272-039-023	

Prepared by DTA


SHEET 3 OF 4
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA - SERVICES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA
Reference is hereby made to the Assessor maps of the County of Los Angeles for a description of the lines and dimensions of these parcels.
ZONE 1
See Sheet 4 for details
N
LEGEND
Boundaries of County of Los Angeles Community Facilities District No. 2021-02 (Valencia - Services), County of Los Angeles, California
Boundaries of Future Annexation Area
Prepared by DTA



4852-4454-6516v7/022311-0014

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES ESTABLISHING COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES), AUTHORIZING THE LEVY OF SPECIAL TAXES AND CALLING AN ELECTION WITHIN IMPROVEMENT AREA NO. 1 THEREIN AND APPROVING AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO

WHEREAS, on January 26, 2021, the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopted a resolution (the "Resolution of Intention") stating its intention to establish County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) ("Community Facilities District No. 2021-01" or the "District"), designate Improvement Area No. 1 therein ("Improvement Area No. 1") and designate territory proposed for annexation to the District in the future (the "Future Annexation Area") as one or more future improvement areas ("Future Improvement Areas"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, the County expects to enter into a Joint Community Facilities Agreement (the "Water Agency JCFA") with the Santa Clarita Valley Water Agency (the "Water Agency") relating to certain facilities proposed to be financed by the District and owned and operated by the Water Agency; and

WHEREAS, the County expects to enter into a Joint Community Facilities Agreement (the "Sanitation District JCFA") with the Newhall Ranch Sanitation District of Los Angeles County (the "Sanitation District") relating to certain facilities proposed to be financed by the District and owned and operated by the Sanitation District; and

WHEREAS, the County expects to enter into a Joint Community Facilities Agreement (the "Flood Control District JCFA") with the Los Angeles County Flood Control District (the "Flood Control District") relating to certain facilities proposed to be financed by the District and owned and operated by the Flood Control District; and

WHEREAS, a copy of the Resolution of Intention setting forth a description of the proposed boundaries of Community Facilities District No. 2021-01, Improvement Area No. 1 and the Future Annexation Area, the facilities and incidental expenses to be financed by the District and the rate and method of apportionment of the special tax proposed to be levied within Improvement Area No. 1 is on file with the Executive Officer-Clerk of the Board of Supervisors; and

WHEREAS, notice was published and mailed to all landowners of the land proposed to be included within the District as required by law relative to the intention of this Board of Supervisors to form the proposed Community Facilities District No. 2021-01 and Improvement Area No. 1, to designate the Future Annexation Area proposed for annexation to the District in the future, to levy a special tax within Improvement Area No. 1, and to incur bonded indebtedness in the amount of up to $70,000,000 within Improvement Area No. 1; and

WHEREAS, on March 9, 2021, this Board of Supervisors conducted a noticed public hearing as required by law relative to the proposed formation of Community Facilities District No. 2021-01 and Improvement Area No. 1, the designation of the Future Annexation Area, and the rate and method of apportionment of the special tax and the bonded indebtedness proposed for the District and Improvement Area No. 1; and

WHEREAS, at or before the March 9, 2021 public hearing there was filed with this Board of Supervisors a report containing a description of the facilities necessary to meet the needs of the District (as currently configured and as expanded through annexation of the Future Annexation Area) and an estimate of the cost of such facilities as required by Section 53321.5 of the Act (the "CFD Report"); and

WHEREAS, at the March 9, 2021 public hearing all persons desiring to be heard on all matters pertaining to the formation of Community Facilities District No. 2021-01 and Improvement Area No. 1, the designation of the Future Annexation Area, and the rate and method of apportionment of the special tax and the bonded indebtedness proposed for the District and Improvement Area No. 1, were heard and a full and fair hearing was held; and

WHEREAS, following the public hearing, this Board of Supervisors has determined to authorize the formation of the District to finance the facilities (the "Facilities") and the incidental expenses (the "Incidental Expenses") set forth in Attachment "B" hereto, which are also described in the CFD Report; and

WHEREAS, at the public hearing evidence was presented to this Board of Supervisors on the matters before it, and the proposed special tax to be levied within Improvement Area No. 1 was not precluded by a majority protest of the type described in Section 53324 of the Act, and this Board of Supervisors at the conclusion of the hearing was fully advised as to all matters relating to the formation of the District and Improvement Area No. 1, the designation of the Future Annexation Area and the levy of a special tax and the issuance of bonded indebtedness within Improvement Area No. 1; and

WHEREAS, this Board of Supervisors has determined, based on a Certificate of Registrar of Voters on file in the office of the Executive Officer-Clerk of the Board of Supervisors, that no registered voters have been residing in the proposed boundaries of Improvement Area No. 1 for each of the 90 days prior to March 9, 2021 and that the qualified electors in Improvement Area No. 1 are the landowners within Improvement Area No. 1 as of March 9, 2021; and

WHEREAS, on the basis of all of the foregoing, this Board of Supervisors has determined to proceed with the establishment of Community Facilities District No. 2021-01 and Improvement Area No. 1 and the designation of the Future Annexation Area, and to call an election within Improvement Area No. 1 to authorize (i) the levy of special taxes within Improvement Area No. 1 pursuant to the rate and method of apportionment of the special tax, as set forth in Attachment "A" attached hereto, (ii) the issuance of bonds within Improvement Area No. 1 to finance the Facilities and Incidental Expenses, and (iii) the establishment of an appropriations limit for the District;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

SECTION 1. Each of the above recitals is true and correct.

SECTION 2. A community facilities district to be designated "County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities)" is hereby established pursuant to the Act and Improvement Area No. 1 is hereby designated within the District in accordance with Section 53350 of the Act. The Board of Supervisors further designates the Future Annexation Area shown in Attachment "A" to the Resolution of Intention as property proposed for one or more annexations into the District in the future, by the unanimous consent and approval of the owner or owners of the parcel or parcels at the time of annexation (the "Unanimous Consent and Approval") and approved by the Board of Supervisors, acting as the legislative body of the District (the "Legislative Body"), in compliance with the Acquisition, Funding and Disclosure Agreement (the "Acquisition Agreement") to be entered into among the County, the District, and The Newhall Land and Farming Company (a California Limited Partnership), a California limited partnership (the "Developer"), as such agreement may be amended from time to time in accordance with its terms, and other procedures established by the Act.

The Board of Supervisors hereby finds and determines that all prior proceedings taken with respect to the establishment of the District and Improvement Area No. 1 and the designation of the Future Annexation Area were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1(b) of the Act.

SECTION 3. The boundaries of Community Facilities District No. 2021-01, Improvement Area No. 1 and the Future Annexation Area are established as shown on the map designated "County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities), County of Los Angeles, State of California", which map was recorded pursuant to Sections 3111 and 3112 of the Streets and Highways Code in the County of Los Angeles Book of Maps of Assessment and Community Facilities Districts in the County Recorder's Office in Book No. 195 Page Nos. 80-83, on February 4, 2021 as Instrument No. 2021-10197579.

SECTION 4. The Facilities and Incidental Expenses authorized to be financed by Community Facilities District No. 2021-01 (as currently configured and as expanded through annexation of the Future Annexation Area) are those set forth in Attachment "B" attached hereto. The estimated cost of the Facilities and Incidental Expenses to be financed is set forth in the CFD Report, which estimates may change as the Facilities are designed and bid for construction and acquisition.

The County is authorized by the Act and by the Water Agency JCFA, the Sanitation District JCFA, and the Flood Control District JCFA which it expects to enter into after approval by the Board of Supervisors, to contribute revenue to, or to construct or acquire the Facilities, all in accordance with the Act. The Board of Supervisors finds and determines that the proposed Facilities are necessary to meet the increased demand that will be placed upon local agencies and public infrastructure as a result of new development within the District (as currently configured and as expanded through annexation of the Future Annexation Area) and that the Facilities to be financed, including those to be financed pursuant to the Water Agency JCFA, the Sanitation District JCFA , and the Flood Control District JCFA to be approved by the Board of Supervisors, benefit residents of the County and the future residents of the District.

SECTION 5. Except where funds are otherwise available, it is the intention of the Board of Supervisors, subject to the approval of the eligible voters within Improvement Area No. 1 of the District, to levy annually a special tax at the rates set forth in Attachment "A" hereto on all non-exempt property within Improvement Area No. 1 of the District sufficient to pay for (i) all or any part of the Facilities and Incidental Expenses, and (ii) the principal and interest and other periodic costs on the bonds proposed to be issued by the District for Improvement Area No. 1 to finance the Facilities and Incidental Expenses, including the establishment and replenishment of reserve funds, any remarketing, credit enhancement and liquidity facility fees and other expenses of the type permitted by Section 53345.3 of the Act (including fees for instruments which serve as the basis of a reserve fund in lieu of cash). The rate and method of apportionment of the special tax for Improvement Area No. 1 is described in detail in Attachment "A" hereto and incorporated herein by this reference, and the Board of Supervisors hereby finds that Attachment "A" contains sufficient detail to allow each landowner within Improvement Area No. 1 of the District to estimate the maximum amount that may be levied against each parcel.

It is the intention of the Board of Supervisors, subject to the receipt of the Unanimous Consent and Approval of the owners of the property of all or part of the Future Improvement Area at the time(s) such property is annexed to the District, and approval by the Legislative Body, to levy annually a special tax at the rates to be set forth in the rate and method of apportionment approved for such Future Improvement Area by the Unanimous Consent and Approval and the Legislative Body on all non-exempt property within such Future Improvement Area sufficient to pay for (i) all or any part of the Facilities and Incidental Expenses, and (ii) the principal and interest and other periodic costs on the bonds proposed to be issued by the District for such Future Improvement Area to finance the Facilities and Incidental Expenses, including the establishment and replenishment of reserve funds, any remarketing, credit enhancement and liquidity facility fees and other expenses of the type permitted by Section 53345.3 of the Act (including fees for instruments which serve as the basis of a reserve fund in lieu of cash).

As described in greater detail in the CFD Report, which is incorporated by reference herein, the special tax to be levied within Improvement Area No. 1 is based on, and the special tax to be levied within a Future Improvement Area, will be based on, the expected demand that each parcel of real property within Improvement Area No. 1 and such Future Improvement Area will place on the Facilities and on other factors and, accordingly, is hereby determined to be reasonable. The special tax within Improvement Area No. 1 shall be levied on each assessor's parcel for a period not to exceed the earlier of (1) forty years from the commencement of the special tax levy or (2) the final maturity of the bonds issued for Improvement Area No. 1, provided that the special tax shall not be levied after fiscal year 2061-62, as described in Attachment "A" hereto. The special tax is apportioned to each parcel within Improvement Area No. 1 on the foregoing bases pursuant to Section 53325.3 of the Act and such special tax is not on or based upon the ownership of real property or the assessed value of real property. The special tax for a Future Improvement Area will be apportioned to each parcel therein on the foregoing bases pursuant to Section 53325.3 of the Act and such special tax will not be based upon the ownership of real property or the assessed value of real property.

The District expects to incur, and in certain cases has already incurred, Incidental Expenses in connection with the creation of the District, the issuance of bonds, the levying and collecting of the special taxes, the completion and inspection of the Facilities and the annual administration of the bonds and the District.

If special taxes are levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall be specified as a dollar amount which shall be calculated and established not later than the date on which the parcel is first subject to the special tax because of its use for private residential purposes and shall not be increased over time, except that, with respect to

Improvement Area No. 1, it may be increased by an amount not to exceed two percent (2%) per year to the extent permitted in the rate and method of apportionment of the special tax set forth in Attachment "A" for parcels within Improvement Area No. 1 and, with respect to a Future Improvement Area, may be increased at such rate to be set forth in the rate and method of apportionment of special tax for such Future Improvement Area approved by the Unanimous Consent and Approval, (ii) with respect to Improvement Area No. 1, such special tax shall be levied for a period not to exceed the earlier of (1) forty years from the commencement of the special tax levy or (2) the final maturity of the bonds issued for Improvement Area No. 1, provided that the special tax shall not be levied after fiscal year 2061-62, as described in Attachment "A", and with respect to a Future Improvement Area, for such period as set forth in the rate and method of apportionment of special tax for such Future Improvement Area approved by the Unanimous Consent and Approval, (iii) under no circumstances will the special tax levied against any such parcel in Improvement Area No. 1 used for private residential uses be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within Improvement Area No. 1 by more than ten percent above the amount that would have been levied in Improvement Area No. 1 in that fiscal year had there never been any such delinquencies or defaults, and (iv) under no circumstances will the special tax levied against any parcel in a Future Improvement Area used for private residential uses be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within such Future Improvement Area by more than ten percent above the amount that would have been levied in such Future Improvement Area in that fiscal year had there never been any such delinquencies or defaults.

The Office of the Treasurer and Tax Collector of the County of Los Angeles, 500 West Temple Street, Suite 432, Los Angeles, CA 90012, telephone number (213) 974-7175, will be responsible for preparing annually, or authorizing a designee to prepare, a current roll of special tax levy obligations by assessor's parcel number and will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Act.

SECTION 6. In the event that a portion of the property within Improvement Area No. 1 shall become for any reason exempt, wholly or partially, from the levy of the special tax applicable thereto, or in the event of delinquencies in the payment of special taxes levied therein, the Board of Supervisors shall, on behalf of Community Facilities District No. 2021-01, increase the levy to the extent necessary and permitted by law and these proceedings, and subject to the maximum special tax set forth in the rate and method of apportionment of the special tax for Improvement Area No. 1, upon the remaining property within Improvement Area No. 1 which is not exempt or delinquent in order to yield the required debt service payments on any outstanding bonds issued by the District for Improvement Area No. 1, or to prevent the District from defaulting on any other obligations or liabilities payable from Improvement Area No. 1 special taxes; provided, however, under no circumstances will the special tax levied against any parcel used for private residential uses be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within Improvement Area No. 1 by more than ten percent above the amount that would have been levied in that fiscal year had there never been any delinquencies or defaults in special tax payments. The amount of the special tax for parcels within Improvement Area No. 1 will be set in accordance with the rate and method of apportionment of the special tax for Improvement Area No. 1 attached hereto as Attachment "A." The obligation of parcels within Improvement Area No. 1 to pay special taxes may be prepaid only as set forth in Section G of Attachment "A" hereto.

In the event that a portion of the property within a Future Improvement Area shall become for any reason exempt, wholly or partially, from the levy of the special tax applicable thereto, or in the event of delinquencies in the payment of special taxes levied therein, the Board of Supervisors shall, on behalf of Community Facilities District No. 2021-01, increase the levy to the extent necessary and permitted by law and these proceedings, and subject to the maximum special tax set forth in the rate and method of apportionment of the special tax for such Future Improvement Area, upon the remaining property within such Future Improvement Area which is not exempt or delinquent in order to yield the required debt service payments on any outstanding bonds issued by the District for such Future Improvement Area, or to prevent the District from defaulting on any other obligations or liabilities payable from special taxes of such Future Improvement Area; provided, however, under no circumstances will the special tax levied against any parcel used for private residential uses be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within such Future Improvement Area by more than ten percent above the amount that would have been levied in that fiscal year had there never been any delinquencies or defaults in special tax payments. The amount of the special tax for parcels within a Future Improvement Area will be set in accordance with the rate and method of apportionment of the special tax approved for such Future Improvement Area in the Unanimous Consent and Approval.

SECTION 7. Upon recordation of a notice of special tax lien for Improvement Area No. 1 pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all non-exempt real property in Improvement Area No. 1 and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien is canceled in accordance with law or until collection of the special tax ceases.

SECTION 8. Consistent with Section 53325.6 of the Act, the Board of Supervisors finds and determines that the land within Community Facilities District No. 2021-01, if any, devoted primarily to agricultural, timber or livestock uses and being used for the commercial production of agricultural, timber or livestock products is contiguous to other land within Community Facilities District No. 2021-01 and will be benefited by the Facilities proposed to be provided within Community Facilities District No. 2021-01.

SECTION 9. It is hereby further determined that there is no *ad valorem* property tax currently being levied on property within proposed Community Facilities District No. 2021-01 for the exclusive purpose of paying the principal of or interest on bonds or other indebtedness incurred to finance the construction of capital facilities which provide the same services to the territory of Community Facilities District No. 2021-01 as are proposed to be provided by the Facilities to be financed by Community Facilities District No. 2021-01.

SECTION 10. The District may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying any cost incurred in establishing Community Facilities District No. 2021-01. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the Board of Supervisors, with or without interest. The District is hereby authorized to reimburse the Developer for moneys advanced pursuant to that certain Deposit and Reimbursement Agreement dated as of October 4, 2019 by and among the Developer, Stevenson Ranch Venture, LLC, and the County (the "Reimbursement Agreement"), but only under the circumstances permitting reimbursement under such Reimbursement Agreement.

SECTION 11. Section 53314.9 of the Act provides that, either before or after formation of the District, the County may accept work in-kind from any source, including, but not limited to, private persons or private entities, and may provide, by resolution, for the use of that work in-kind for any authorized purpose and the Board of Supervisors may enter into an agreement, by resolution, with the person or entity advancing the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as determined by the Board of Supervisors, with or without interest, under the conditions specified in the Act. Any work in-kind must be performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority of, the County and, in furtherance of Section 53314.9 of the Act, the Board of Supervisors intends to approve the execution and delivery of the Acquisition Agreement to be entered into among the County, the District and the Developer.

SECTION 12. Written protests against the establishment of the District, and the designation of Improvement Area No. 1 and the Future Annexation Area have not been filed by one-half or more of the registered voters within the boundaries of the District or Improvement Area No. 1 or by the property owners of one-half (1/2) or more of the area of land within the District or Improvement Area No. 1. The Board of Supervisors hereby finds that the proposed special tax for Improvement Area No. 1 has not been precluded by a majority protest pursuant to Section 53324 of the Act.

SECTION 13. An election is hereby called for Improvement Area No. 1 on the propositions of levying the special tax on the property within Improvement Area No. 1 and establishing an appropriations limit for the District pursuant to Section 53325.7 of the Act and shall be consolidated with the election on the proposition of incurring bonded indebtedness for Improvement Area No. 1, pursuant to Sections 53351 and 53353.5 of the Act. The language of the propositions to be placed on the ballot for the election within Improvement Area No. 1 is attached hereto as Attachment "C."

SECTION 14. The date of the elections for Improvement Area No. 1 on the propositions of incurring the bonded indebtedness, authorizing the levy of the special taxes and establishing an appropriations limit for the District shall be March 9, 2021, or such later date as is consented to by the Executive Officer-Clerk of the Board of Supervisors; provided that, if the election is to take place sooner than 90 days after March 9, 2021, then the unanimous written consent of the qualified electors within Improvement Area No. 1 to such election date must be obtained. If held on March 9, 2021, the polls shall be open for said election immediately following the adoption of this Resolution until 5:00 p.m., and between the hours of 8:00 a.m. and 5:00 p.m. if held on a later date. The elections shall be conducted by the Executive Officer-Clerk of the Board of Supervisors. Except as otherwise provided by the Act, the elections shall be conducted in accordance with the provisions of law regulating elections of the County of Los Angeles insofar as such provisions are determined by the Executive Officer-Clerk of the Board of Supervisors to be applicable. The Executive Officer-Clerk of the Board of Supervisors is authorized to conduct the elections following the adoption of this resolution, and all ballots shall be received by, and the Executive Officer-Clerk of the Board of Supervisors shall close the elections by, 5:00 p.m. on the election day; provided an election shall be closed at such earlier time as all qualified electors in such election have voted as provided in Section 53326(d) of the Act. Pursuant to Section 53326 of the Act, the ballots for the special elections shall be distributed in person, or by mail with return postage prepaid, to the qualified electors within Community Facilities District No. 2021-01. The Registrar of Voters has certified in a certificate on file with the Executive Officer-Clerk of the Board of Supervisors that there were no registered voters within the District and Improvement Area No. 1 as of January 22, 2021. Accordingly, since there were fewer than 12 registered voters within the District and Improvement Area No. 1 for each of the 90 days preceding March 9, 2021, the qualified electors shall be the landowners within Improvement Area No. 1 and each landowner, or the authorized representative thereof, shall have one vote for each acre or portion thereof that such landowner owns within Improvement Area No. 1, as provided in Section 53326 of the Act.

SECTION 15. The preparation of the CFD Report is hereby ratified. The CFD Report, as submitted, is hereby approved and was made a part of the record of the public hearing regarding the formation of Community Facilities District No. 2021-01. The CFD Report is ordered to be kept on file with the transcript of these proceedings and open for public inspection.

SECTION 16. This Resolution shall be effective upon its adoption.

The foregoing resolution was adopted on the 9TH day of MARCH, 2021, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

CELIA ZAVALA, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: ______________________________
DEPUTY

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
County Counsel

By: ______________________________
Deputy County Counsel

ATTACHMENT "A"

RATE AND METHOD OF APPORTIONMENT FOR
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 1)

RATE AND METHOD OF APPORTIONMENT
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES)
IMPROVEMENT AREA NO. 1

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 1 ("IA No. 1") of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) ("CFD No. 2021-01 (IA No. 1)") and collected each Fiscal Year commencing in Fiscal Year 2021-2022, in an amount determined by the Board, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2021-01 (IA No. 1), unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the number of acres within a Plot of Land as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2021-01 (IA No. 1): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the County or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the County, CFD No. 2021-01 (IA No. 1) or any designee thereof of complying with arbitrage rebate requirements; the costs to the County, CFD No. 2021-01 (IA No. 1) or any designee thereof of complying with County, CFD No. 2021-1 (IA No. 1), major property owner, or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the County, CFD No. 2021-01 (IA No. 1), or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; and the County's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the County or CFD No. 2021-01 (IA No. 1) for any other administrative purposes of CFD No. 2021-01 (IA No. 1), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.

"Apartment Floor Area" means the total building square footage of Apartment Property, measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two sides, as determined by reference to the Building Permit(s) issued for that Assessor's Parcel, or if these are not available, as otherwise determined by the CFD Administrator.

"Apartment Property" means Assessor's Parcels for which Building Permits have been issued for Dwelling Units located in a building or buildings comprised of Dwelling Units available for rent, but not purchase, by the general public and under common management.

"Assessor's Parcel" means any real property to which an Assessor's Parcel Number is assigned as shown on an Assessor's Parcel Map.

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

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C below.

"Attached Property" means, in any Fiscal Year, all Residential Property for which Building Permits were issued for construction of a residential structure consisting of two or more Dwelling Units that share common walls, including garage walls. Dwelling Units to be included in this category shall include, but not be limited to, townhomes, condominiums, triplex units, and duplex units. Dwelling Units on Apartment Property shall be excluded from this category.

"Authorized Facilities" means the facilities authorized to be financed by CFD No. 2021-01 (IA No. 1).

"Backup Special Tax" means the Special Tax of that name described in Section C below.

"Board" means the Board of Supervisors of the County.

"Bonds" means any bonds or other debt as defined in Section 53317(d) of the Act, whether in one or more series, issued by CFD No. 2021-01 (IA No. 1) under the Act.

"Boundary Map" means a recorded map which indicates the boundaries of CFD No. 2021-01 (IA No. 1).

"Building Permit" means the first legal document issued by the County giving official permission for the construction of a building on an Assessor's Parcel. For purposes of this definition and application of the Special Tax, "Building Permit" may or may not include any subsequent building permits issued or changed after the first issuance, as determined by the CFD Administrator.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"CFD Administrator" means an official of the County, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD Formation" means the date on which the Board approved documents to form CFD No. 2021-01 (IA No. 1).

"CFD No. 2021-01 (IA No. 1)**"** means the County of Los Angeles Community Facilities District No. 2021-01 (IA No. 1) (Valencia–Facilities).

"Cluster Property" means Assessor's Parcels of Developed Property for which Building Permits have been issued for Dwelling Units that are or are expected to (i) share a lot, designated by a Final Map, with one or more Dwelling Units; and (ii) be surrounded by freestanding walls and that do not share an inside wall with any other Dwelling Unit, as determined by the CFD Administrator. Dwelling Units to be included in this category shall include, but not be limited to, 3-Pack units, 8-Pack units, and 10-Pack units.

"County" means the County of Los Angeles.

"Detached Property" means Assessor's Parcels of Developed Property for which Building Permits have been issued for Dwelling Units that are or are expected to be (i) each located on a separate lot designated by a Final Map, and (ii) surrounded by freestanding walls and that do not share an inside wall with any other Dwelling Unit, as determined by the CFD Administrator.

"Developed Property" means, for each Fiscal Year, all Taxable Property located within a Final Map that was recorded as of January 1 of the prior Fiscal Year, for which a Building Permit was issued prior to May 1 of the prior Fiscal Year.

"Dwelling Unit" means one residential unit of any configuration, including, but not limited to, a single-family attached or detached dwelling, condominium, apartment, mobile home, or otherwise, excluding hotels and motels.

"Exempt Welfare Property" means, for each Fiscal Year, an Assessor's Parcel that is (a) receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County's assessor's roll finalized as of January 1 of the previous Fiscal Year, and (b) exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds any Assessor's Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute) shall not be classified as Exempt Welfare Property and will be subject to the Special Tax.

"Final Map" means (i) a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots or parcels for which Building Permits may be issued without further subdivision, or (ii) for condominiums, a final map approved by the County and a condominium plan recorded pursuant to California Civil Code Section 4285 creating such individual lots or parcels.

"Final Mapped Property" means all Assessor's Parcels of Taxable Property: (i) that are included in a Final Map recorded prior to the January 1st preceding the Fiscal Year in which the Special Tax is being levied; and (ii) for which a Building Permit has not been issued on or before May 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Improvement Area No. 1" or **"IA No. 1"** means Improvement Area No. 1 of CFD No. 2021-01 (IA No. 1).

"Indenture" means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"Land Use Class" means any of the categories listed in Table 1 herein.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel within CFD No. 2021-01 (IA No. 1).

"Non-Residential Floor Area" means the total building square footage of the non-residential building(s) located on an Assessor's Parcel, measured from outside wall to outside wall, not including space devoted to stairwells, public restrooms, lighted courts, vehicle parking and areas incident thereto, and mechanical equipment incidental to the operation of such building. The determination of Non-Residential Floor Area shall be made by reference to the Building Permit(s) issued for such Assessor's Parcel and/or to the appropriate records kept by the County, as reasonably determined by the CFD Administrator.

"Non-Residential Property" means all Assessor's Parcels of Taxable Property for which a Building Permit(s) was issued for a non-residential use. The CFD Administrator shall make the determination if an Assessor's Parcel is Non-Residential Property.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Indenture.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel, as described in Section G,2.

"Plot of Land" means with respect to an Assessor's Parcel, the entire physical land area described on the first sheet of the applicable book and page of the Assessor's Parcel Map on which such Assessor's Parcel is identified.

"Prepayment Amount" means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel, as described in Section G.1.

"Property Owner's Association" means, collectively, any property owner association or homeowners association, including any master- or sub-association, created for CFD No. 2021-01 (IA No. 1).

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2021-01 (IA No. 1) that was owned by (i) a Property Owner Association, as of January 1 of the prior Fiscal Year, or (ii) a transportation management organization, as of January 1 of the prior Fiscal Year.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property. For Taxable Property Owner Association Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Taxable Property Owner Association Property. For Taxable Public Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Taxable Public Property.

"Public Property" means, for each Fiscal Year, any property within CFD No. 2021-01 (IA No. 1) that is owned by, irrevocably offered for dedication to, or dedicated to the federal government, the State, the County, or any other public agency as of June 30 of the prior Fiscal Year; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a public agency, the property owner shall notify the CFD Administrator in writing of such acquisition, offer, or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

"Rate and Method of Apportionment" means this Rate and Method of Apportionment of Special Taxes, County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities).

"Residential Floor Area" means all of the square footage of living area within the perimeter of a Dwelling Unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The CFD Administrator shall determine the Residential Floor Area based upon the Building Permit(s) issued for such Dwelling Unit.

"Residential Property" means Developed Property, exclusive of Apartment Property, for which a Building Permit has been issued for purposes of constructing one or more Dwelling Units.

"Special Tax" means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds to the extent such establishment or replenishment has not been included in a computation of the Special Tax Requirement in a previous Fiscal Year; (v) pay directly for the acquisition or construction of Authorized Facilities to the extent that inclusion of such amount does not increase the Special Tax levy on Final Mapped Property or Undeveloped Property; and (vi) pay for reasonably anticipated Special Tax delinquencies based on the historical delinquency rate for CFD No. 2021-01 (IA No. 1) as determined by the CFD Administrator; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2021-01 (IA No. 1) which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt pursuant to Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

"Total Floor Area" means the sum of the Residential Floor Area and the Non-Residential Floor Area located on an Assessor's Parcel.

"Trustee" means the trustee or fiscal agent under the Indenture.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property, Final Mapped Property, Public Property, or Property Owner's Association Property.

B ASSIGNMENT TO LAND USE CLASSES

Each Fiscal Year, beginning with Fiscal Year 2021-2022, each Assessor's Parcel of Taxable Property shall be classified as Developed Property, Final Mapped Property, Undeveloped Property, Public Property and/or Property Owner's Association Property.

Assessor's Parcels of Developed Property shall further be classified as Residential Property, Apartment Property, or Non-Residential Property. Each Assessor's Parcel of Residential Property shall then be classified as a Detached Property, Cluster Property, or Attached Property. Each Assessor's Parcel of Detached Property, Cluster Property, or Attached Property shall be further categorized into Land Use Classes based on its Residential Floor Area and assigned the appropriate Assigned Special Tax rate.

The determination of the Residential Floor Area shall be made by reference to the original Building Permit issued for the Dwelling Unit of an Assessor's Parcel. The Building Permit may include any subsequent document(s) authorizing new construction on an Assessor's Parcel that are issued or changed by the County after the original issuance, as determined by the CFD Administrator as necessary to fairly allocate Special Tax to the Assessor's Parcel, provided that following such determination the Maximum Special Tax that may be levied on all Assessor's Parcels of Taxable Property in each year will be at least 1.1 times annual debt service on all outstanding Bonds plus the estimated annual Administrative Expenses in each year.

C MAXIMUM SPECIAL TAX RATE

C.1 Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax and (ii) the amount derived by application of the Backup Special Tax.

C.1.a Assigned Special Tax

Each Fiscal Year, each Assessor's Parcel of Detached Property, Cluster Property, Attached Property, Apartment Property, and Non-Residential Property shall be subject to an Assigned Special Tax. The Fiscal Year 2021-2022 Assigned Special Tax applicable to an Assessor's Parcel of Developed Property shall be determined pursuant to Table 1 below.

Table 1: Fiscal Year 2021-2022 Assigned Special Taxes for Developed Property

Land Use Class	Description	Assigned Special Tax
1	DETACHED PROPERTY (>= 4,201 SF)	$5,806 PER DWELLING UNIT
2	DETACHED PROPERTY (4,001 - 4,200 SF)	$5,579 PER DWELLING UNIT
3	DETACHED PROPERTY (3,801 - 4,000 SF)	$5,353 PER DWELLING UNIT
4	DETACHED PROPERTY (3,601 - 3,800 SF)	$5,127 PER DWELLING UNIT
5	DETACHED PROPERTY (3,401 - 3,600 SF)	$4,901 PER DWELLING UNIT
6	DETACHED PROPERTY (3,201 - 3,400 SF)	$4,675 PER DWELLING UNIT
7	DETACHED PROPERTY (3,001 - 3,200 SF)	$4,449 PER DWELLING UNIT
8	DETACHED PROPERTY (2,801 - 3,000 SF)	$4,223 PER DWELLING UNIT
9	DETACHED PROPERTY (2,601 - 2,800 SF)	$3,996 PER DWELLING UNIT
10	DETACHED PROPERTY (< 2,601 SF)	$3,657 PER DWELLING UNIT
11	CLUSTER PROPERTY (>= 3,101 SF)	$4,081 PER DWELLING UNIT
12	CLUSTER PROPERTY (2,901 - 3,100 SF)	$3,779 PER DWELLING UNIT
13	CLUSTER PROPERTY (2,701 - 2,900 SF)	$3,477 PER DWELLING UNIT
14	CLUSTER PROPERTY (2,501 - 2,700 SF)	$3,175 PER DWELLING UNIT
15	CLUSTER PROPERTY (2,301 - 2,500 SF)	$2,873 PER DWELLING UNIT
16	CLUSTER PROPERTY (2,101 - 2,300 SF)	$2,571 PER DWELLING UNIT
17	CLUSTER PROPERTY (1,901 - 2,100 SF)	$2,269 PER DWELLING UNIT
18	CLUSTER PROPERTY (1,701 - 1,900 SF)	$1,967 PER DWELLING UNIT
19	CLUSTER PROPERTY (1,501 - 1,700 SF)	$1,665 PER DWELLING UNIT
20	CLUSTER PROPERTY (< 1,501 SF)	$1,363 PER DWELLING UNIT
21	ATTACHED PROPERTY (>= 2,451 SF)	$2,536 PER DWELLING UNIT
22	ATTACHED PROPERTY (2,301 - 2,450 SF)	$2,373 PER DWELLING UNIT
23	ATTACHED PROPERTY (2,151 - 2,300 SF)	$2,165 PER DWELLING UNIT
24	ATTACHED PROPERTY (2,001 - 2,150 SF)	$2,007 PER DWELLING UNIT
25	ATTACHED PROPERTY (1,851 - 2,000 SF)	$1,876 PER DWELLING UNIT
26	ATTACHED PROPERTY (1,701 - 1,850 SF)	$1,719 PER DWELLING UNIT
27	ATTACHED PROPERTY (1,551 - 1,700 SF)	$1,546 PER DWELLING UNIT
28	ATTACHED PROPERTY (1,401 - 1,550 SF)	$1,401 PER DWELLING UNIT
29	ATTACHED PROPERTY (1,251 - 1,400 SF)	$1,216 PER DWELLING UNIT
30	ATTACHED PROPERTY (1,101 - 1,250 SF)	$1,101 PER DWELLING UNIT
31	ATTACHED PROPERTY (951 - 1,100 SF)	$886 PER DWELLING UNIT
32	ATTACHED PROPERTY (801 - 950 SF)	$776 PER DWELLING UNIT
33	ATTACHED PROPERTY (651 - 800 SF)	$555 PER DWELLING UNIT
34	ATTACHED PROPERTY (< 651 SF)	$445 PER DWELLING UNIT
35	APARTMENT PROPERTY	$0.51 PER APARTMENT FLOOR AREA
36	NON-RESIDENTIAL PROPERTY	$0.31 PER NON-RESIDENTIAL FLOOR AREA

On each July 1, commencing on July 1, 2022, the Assigned Special Tax rates in Table 1 shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

C.1.b Backup Special Tax

i. The Backup Special Tax for a Final Map, in Fiscal Year 2021-2022, shall equal the lesser of (a) the amount per Acre for each such Final Map as shown in Table 2 below, and (b) the amount in connection with any reduction in the Assigned Special Tax as set forth in Section H herein.

Table 2: Fiscal Year 2021-2022 Backup Special Tax

Final Map	Backup Special Tax
61101-05	$26,892 PER ACRE
61105-01	$28,010 PER ACRE
61105-02	$29,719 PER ACRE
61105-03	$29,591 PER ACRE
61105-04	$38,311 PER ACRE
61105-06	$24,185 PER ACRE
61105-07	$31,038 PER ACRE
61105-08	$45,167 PER ACRE
61105-09	$33,303 PER ACRE
61105-10	$20,689 PER ACRE
61105-11	$34,011 PER ACRE
61105-12	$35,093 PER ACRE
61105-13	$33,038 PER ACRE
61105-14	$33,375 PER ACRE
61105-15	$46,192 PER ACRE
61105-16	$27,915 PER ACRE
61105-18	$23,969 PER ACRE
61105-19	$32,884 PER ACRE
61105-20	$26,254 PER ACRE
61105-21	$25,083 PER ACRE
ALL OTHER FINAL MAPS	$30,103 PER ACRE

For each Final Map identified in Table 2 above, the Backup Special Tax for Residential Property shall be calculated according to the following formula:

- Backup Special Tax for Residential Property per Dwelling Unit = ((Backup Special Tax) X (Acreage of all Assessor's Parcels of Residential Property in Final Map)) / (Number of Dwelling Units of Residential Property in Final Map).
- The Backup Special Tax for Non-Residential Property and Apartment Property in a Final Map for Fiscal Year 2021-2022 shall be $30,103 per Acre.

On each July 1, commencing July 1, 2022, the Backup Special Tax for each Final Map shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

ii. Furthermore, all Assessor's Parcels within CFD No. 2021-01 (IA No. 1) shall be relieved simultaneously and permanently from the obligation to pay and disclose the Backup Special Tax if the CFD Administrator calculates that the annual debt service required for the Outstanding Bonds, when compared to the Assigned Special Tax that shall be levied against all Assessor's Parcels of Developed Property in CFD No. 2021-01 (IA No. 1), results in 110% debt service coverage (i.e., the Assigned Special Tax that shall be levied against all Developed Property in CFD No. 2021-01 (IA No. 1) in each remaining Fiscal Year based on the then existing development is at least equal to the sum of (a) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year, and (b) the Administrative Expenses as defined in Section A herein), and all authorized Bonds have already been issued or the County has covenanted that it shall not issue any additional Bonds (except refunding bonds) to be supported by the Assigned Special Taxes in CFD No. 2021-01 (IA No. 1).

C.2 Final Mapped Property

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property expected to be classified as Residential Property shall be the Backup Special Tax computed pursuant to Section C.1.b above.

On each July 1, commencing July 1, 2022, the Maximum Special Tax for Final Mapped Property shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

C.3 Undeveloped Property, Taxable Property Owner Association Property, and/or Taxable Public Property.

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property shall be $30,103 per Acre.

On each July 1, commencing July 1, 2022, the Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

C.4 Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The annual Maximum Special Taxes levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes for all Land Use Classes located on that Assessor's Parcel. If an Assessor's Parcel of Developed Property includes either Apartment Property or Non-Residential Property, the Acreage to be assigned to such property for purposes of establishing the Special Tax shall be an amount proportional to the Total Floor Area associated with Apartment Property or Non-Residential Property, as applicable. Furthermore, for a condominium plan, if only a portion of its Building Permits have been issued, the remaining portion of the condominium plan shall be considered Final Mapped Property. The CFD Administrator's allocation to each type of property shall be final.

D APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2021-2022 and for each following Fiscal Year, the Board shall determine the Special Tax Requirement and shall levy the Special Tax until the total Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

> First: The Special Tax shall be levied (i) on each Assessor's Parcel of Developed Property at 100% of the applicable Assigned Special Tax rates until the earlier of (a) the Fiscal Year following the issuance of the last series of Bonds secured by the Special Tax, (b) the third Fiscal Year following the Fiscal Year in which the first series of Bonds secured by the Special Tax were issued, and (c) the fifth Fiscal Year following the Fiscal Year in which the Special Tax were first levied; and (ii) thereafter, Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax rates to satisfy the Special Tax Requirement.
>
> Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property at up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
>
> Third: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
>
> Fourth: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.
>
> Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
>
> Sixth: If additional moneys are needed to satisfy the Special Tax Requirement after the first five steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Notwithstanding the above, under no circumstances will the Special Taxes levied in any Fiscal Year against any Assessor's Parcel of Residential Property as a result of a delinquency in the payment of the Special Tax applicable to any other Assessor's Parcel be increased by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default.

E EXEMPTIONS

No Special Tax shall be levied on up to 77.90 Acres of Property Owner Association Property or Public Property in CFD No. 2021-01 (IA No. 1). Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in CFD No. 2021-01 (IA No. 1) becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Special Tax.

Property Owner Association Property or Public Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth step and sixth step in Section D above, respectively, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property or Taxable Public Property.

In addition, no special tax shall be levied on welfare property. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds any Assessor's Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute) shall not be classified as Exempt Welfare Property and will be subject to the Special Tax.

F APPEALS AND INTERPRETATIONS

Any taxpayer may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the clerk of the Board, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for the disagreement with the CFD Administrator's determination.

Interpretations may be made by the Board by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G PREPAYMENT

The following additional definitions apply to this Section G:

> **"CFD Public Facilities"** means $45,663,349 or such lower amount (i) authorized by the Board to provide the public facilities to be funded under CFD No. 2021-01 (IA No. 1), or (ii) determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by the Special Tax levied under this Rate and Method of Apportionment.
>
> **"Construction Fund"** means a fund held by the Trustee to fund CFD Public Facilities.
>
> **"Future Facilities Cost"** means the CFD Public Facilities minus public facility costs previously funded, or that can be funded from funds in the Construction Fund.
>
> **"Outstanding Bonds"** means all previously issued Bonds secured by the levy of the

Special Tax which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of the Special Tax.

G.1 Prepayment in Full

The Maximum Special Tax obligation may be prepaid and permanently satisfied for (i) Assessor's Parcels of Developed Property, (ii) Assessor's Parcels of Final Mapped Property or Undeveloped Property for which a Building Permit has been issued, (iii) Assessor's Parcels of Final Mapped Property or Undeveloped Property for which a Building Permit has not been issued; and (iv) Assessor's Parcels of Public Property or Property Owner's Association Property that are not exempt pursuant to Section E. The Maximum Special Tax obligation applicable to an Assessor's Parcel may be fully prepaid and the obligation to pay the Special Tax for such Assessor's Parcel permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Maximum Special Tax obligation for such Assessor's Parcel shall provide the CFD Administrator with written notice of intent to prepay, and within 5 business days of receipt of such notice, the CFD Administrator shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 2021-01 (IA No. 1) in calculating the Prepayment Amount (as defined below) for the Assessor's Parcel. Within 15 days of receipt of such non-refundable deposit, the CFD Administrator shall notify such owner of the Prepayment Amount for the Assessor's Parcel. Prepayment must be made not less than 60 days prior to the redemption date for any Bonds to be redeemed with the proceeds of such Prepayment Amount.

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

Prepayment Amount	
Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
less	Capitalized Interest Credit
Total: equals Special Tax Prepayment Amount	

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

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For an Assessor's Parcel of Developed Property, compute the Maximum Special Tax for the Assessor's Parcel. For an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a Building Permit has been

issued, compute the Maximum Special Tax for the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has been issued for the Assessor's Parcel. For an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a Building Permit has not been issued, Public Property or Property Owner's Association Property to be prepaid, compute the Maximum Special Tax for the Assessor's Parcel.

3. Divide the Maximum Special Tax derived pursuant to paragraph 2 by the total amount of Special Taxes that could be levied at the Maximum Special Tax at build out of all Assessor's Parcels of Taxable Property based on the applicable Maximum Special Tax for Assessor's Parcels of Developed Property not including any Assessor's Parcels for which the Special Tax obligation has been previously prepaid.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Determine the Future Facilities Cost.
7. Multiply the quotient derived pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to determine the amount of Future Facilities Costs for the Assessor's Parcel, which amount shall not be less than $0 (the "Future Facilities Amount").
8. Determine the amount needed to pay interest on the Bond Redemption Amount from the first bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds on which Bonds can be redeemed from the Prepayment Amount.
9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Determine the amount the CFD Administrator reasonably expects to derive from the investment of the Bond Redemption Amount and the Redemption Premium from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the Prepayment Amount.
11. Add the amounts derived pursuant to paragraphs 8 and 9 and subtract the amount derived pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 2021-01 (IA No. 1), including the cost of computation of the Prepayment Amount, the cost to invest the Prepayment Amount, the cost of redeeming the Outstanding Bonds, and the cost of recording notices to evidence the prepayment of the Maximum Special Tax obligation for the Assessor's Parcel and the redemption of Outstanding Bonds (the "Administrative Fees and Expenses").
13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of:

(a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the Prepayment Amount, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the Prepayment Amount from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.

14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest payment following the current Fiscal Year, the capitalized interest credit (the "Capitalized Interest Credit") shall be calculated by multiplying the quotient derived pursuant to paragraph 3 by the expected balance in the capitalized interest account after such first interest payment.

15. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance Amount and the Administrative Fees and Expenses, less the Reserve Fund Credit, less the Capitalized Interest Credit.

16. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds or make debt service payments. The Future Facilities Amount shall be deposited into the Construction Fund. The Administrative Fees and Expenses shall be retained by CFD No. 2021-01 (IA No. 1).

The Prepayment Amount may not be sufficient to redeem an aggregate principal amount of Outstanding Bonds which is equally divisible by $5,000. In such event, the increment above $5,000 or an integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next redemption from other Special Tax prepayments of Outstanding Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined pursuant to paragraph 9 above, the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for the Assessor's Parcel from the County tax roll. With respect to any Assessor's Parcel for which the Maximum Special Tax obligation is prepaid, the Board shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Maximum Special Tax obligation and the release of the Special Tax lien for the Assessor's Parcel, and the obligation to pay the Special Tax for such Assessor's Parcel shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Tax that may be levied on all Assessor's Parcels of Taxable Property after the proposed prepayment will be at least 1.1 times maximum annual debt service on the Bonds that will remain outstanding after the prepayment plus the estimated annual Administrative Expenses.

G.2 Prepayment in Part

The Maximum Special Tax obligation for (i) Assessor's Parcels of Developed Property, (ii) Assessor's Parcels of Final Mapped Property or Undeveloped Property for which a Building Permit has been issued, (iii) Assessor's Parcels of Final Mapped Property or

Undeveloped Property for which a Building Permit has not been issued; and (iv) Assessor's Parcels of Public Property or Property Owner's Association Property that are not exempt pursuant to Section E, may be partially prepaid. For purposes of determining the partial prepayment amount, the provisions of Section G.1 shall be modified as provided by the following formula:

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

These terms have the following meaning:

PP	=	The partial prepayment;
P_E	=	The Prepayment Amount calculated according to Section G.1;
F	=	The percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax obligation; and
A	=	The Administrative Fees and Expenses determined pursuant to Section G.1.

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Special Tax obligation for the Assessor's Parcel shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Maximum Special Tax obligation, (ii) the percentage of the Maximum Special Tax obligation such owner wishes to prepay, and (iii) the company or agency that will be acting as the escrow agent, if any. Within 5 days of receipt of such notice, the CFD Administrator shall notify such property owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 2021-01 (IA No. 1) in calculating the amount of a partial prepayment. Within 15 business days of receipt of such non-refundable deposit, the CFD Administrator shall notify such owner of the amount of the Partial Prepayment for the Assessor's Parcel. A Partial Prepayment must be made not less than 60 days prior to the redemption date for the Outstanding Bonds to be redeemed with the proceeds of the Partial Prepayment Amount.

With respect to any Assessor's Parcel for which the Maximum Special Tax obligation is partially prepaid, the CFD Administrator shall (i) distribute the Partial Prepayment Amount as provided in Paragraph 16 of Section G.1, and (ii) indicate in the records of CFD No. 2021-01 (IA No. 1) that there has been a Partial Prepayment for the Assessor's Parcel and that a portion of the Special Tax obligation equal to the remaining percentage (1.00 - F) of Special Tax obligation will continue on the Assessor's Parcel pursuant to Section D.

H SPECIAL TAX REDUCTION

The following definitions apply to this Section H:

"Base Price" means, with respect to the Dwelling Units in each Plan Type, as of the date of the applicable Price Point Study, the base price of such Dwelling Units, estimated by the Price Point Consultant as of such date, but excluding potential appreciation or premiums, options or upgrades, based upon their actual or expected characteristics, such as living area, view, or lot size.

"Plan Type" means a discrete residential plan type generally consisting of residential Dwelling Units that share a common product type (e.g., detached, attached, and cluster) and that have nearly identical amounts of living area, that is constructed or expected to be constructed within CFD No. 2021-01 (IA No. 1) as identified in the

Price Point Study.

"Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 2021-01 (IA No. 1) that (a) has substantial experience in performing price point studies or otherwise estimating or confirming pricing for Dwelling Units within community facilities districts, (b) is well versed in analyzing economic and real estate data that relates to the pricing of Dwelling Units in community facilities districts, (c) is independent and not under the control of CFD No. 2021-01 (IA No. 1), the County, or the developer, (d) does not have any substantial interest, direct or indirect, with or in CFD No. 2021-01 (IA No. 1), the County, any owner of real property in CFD No. 2021-01 (IA No. 1), or any real property in CFD No. 2021-01 (IA No. 1), and (e) is not connected with CFD No. 2021-01 (IA No. 1) or the County as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2021-01 (IA No. 1) or the County.

"Price Point Study" means a price point study or a letter updating a previous price point study, which (a) has been prepared by the Price Point Consultant, (b) sets forth the Plan Types constructed or expected to be constructed within CFD No. 2021-01 (IA No. 1), (c) sets forth the estimated number of constructed and expected Dwelling Units for each Plan Type, (d) sets forth estimates of the Base Price for each Plan Type and (e) uses a date for establishing such Base Prices that is no earlier than 30 days prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to Section H herein.

"Total Effective Tax Rate" means, for a Plan Type, (a) the Total Tax Burden for such Plan Type divided by (b) the Base Price for such Plan Type, converted to a percentage.

"Total Effective Tax Rate Limit" means, 1.85%.

"Total Tax Burden" means, with respect to a Plan Type, for the Fiscal Year for which the calculation is being performed, the sum of the Assigned Special Tax and estimated *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges levied or imposed on Dwelling Units of such Plan Type in CFD No. 2021-01 (IA No. 1) in such Fiscal Year or that would have been levied or imposed on all such Dwelling Units had these Dwelling Units been subject to such levies (excluding homeowner's association dues and Property Assessed Clean Energy ("PACE") charges imposed pursuant to AB 811 or SB 555, that are levied on individual Assessor's Parcels).

Prior to the issuance of the first series of Bonds, the following steps shall be taken for each Land Use Class of for-sale Residential Property in CFD No. 2021-01 (IA No. 1) for evaluating the Special Tax:

Step No.:

1. At least 30 days prior to the issuance of the first series of Bonds, a Price Point Study shall be completed and delivered to the CFD Administrator.
2. The CFD Administrator shall determine the Total Tax Burden and Total Effective Tax Rate for each Plan Type in CFD No. 2021-01 (IA No. 1).
3. Separately, for each Land Use Class of for-sale Residential Property in CFD No. 2021-01 (IA No. 1), the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or

equal to the Total Effective Tax Rate Limit.

a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class in CFD No. 2021-01 (IA No. 1) is less than or equal to the Total Effective Tax Rate Limit, then there shall be no change in Special Tax for such Land Use Class in CFD No. 2021-01 (IA No. 1).

b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class in CFD No. 2021-01 (IA No. 1) is greater than the Total Effective Tax Rate Limit, the CFD Administrator shall calculate a revised Assigned Special Tax for that Land Use Class in CFD No. 2021-01 (IA No. 1), such that the revised Assigned Special Tax does not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed the Total Effective Tax Rate Limit.

4. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. above, the CFD Administrator shall calculate a revised Backup Special Tax per Acre for each applicable Final Map within CFD No. 2021-01 (IA No. 1). The revised Backup Special Tax for applicable Final Map shall be an amount (rounded to the nearest whole dollar) calculated pursuant to the formula below:

   Revised BST = BST X (1 + [(Revised AST – AST)/(AST)])

   Revised BST = The revised Backup Special Tax for the Final Map.

   BST = The Backup Special Tax for the Final Map, as set forth in Section C.1.b.

   Revised AST = The total estimated Assigned Special Tax levy for all Land Use Classes of Developed Property in the Final Map, assuming buildout of CFD No. 2021-01 (IA No. 1), including any reduced Assigned Special Taxes resulting from the calculations in step 3.b. above.

   AST = The total estimated Assigned Special Tax levy for all Land Use Classes of Developed Property in the Final Map, assuming buildout of CFD No. 2021-01 (IA No. 1) based on the Assigned Special Taxes in effect prior to the reduction pursuant to steps 3.a. and 3.b.

5. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. above, the CFD Administrator shall also prepare and execute a Certificate to Amend the Special Tax substantially in the form of Exhibit "A" hereto and shall deliver such Certificate to Amend the Special Tax to CFD No. 2021-01 (IA No. 1). The Certificate to Amend the Special Tax shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax for a Land Use Class as calculated pursuant to step 3.b., or (ii) the Assigned Special Tax as identified in Table 1 of Section C for a Land Use Class that was not revised as determined pursuant to step 3.a.; as well as either (i) the revised Backup Special Tax as calculated pursuant to step 4, or (ii) the Backup Special Tax as identified in Section C.1.b. that was not revised as determined pursuant to step 4 above.

6. If the anticipated date of issuance for the first series of Bonds is within 180 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 2021-01 (IA No. 1) shall execute the acknowledgement on such

Certificate to Amend the Special Tax dated as of the closing date of such Bonds, and upon the closing of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall be as set forth in such Certificate to Amend the Special Tax. If the Date of Issuance of the first series of Bonds is not within 180 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate to Amend the Special Tax shall not be acknowledged by CFD No. 2021-01 (IA No. 1) and shall, as of such date, be void and of no further force and effect. In such case, if subsequently a first series of Bonds is expected to be issued, at least 30 days prior to that expected date, steps 1 through 5 of this section shall be performed based on a new Price Point Study.

7. After the execution by CFD No. 2021-01 (IA No. 1) of the acknowledgement on the Certificate to Amend the Special Tax, CFD No. 2021-01 (IA No. 1) shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for CFD No. 2021-01 (IA No. 1) reflecting the Assigned Special Tax and the Backup Special Tax for CFD No. 2021-01 (IA No. 1) set forth in such Certificate to Amend the Special Tax.

8. If the Assigned Special Tax is not required to be changed for any Land Use Class based on the calculations performed under step 3 above, there shall be no reduction in the Assigned Special Tax or Backup Special Tax, and no Certificate to Amend the Special Tax shall be required.

I MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2021-01 (IA No. 1) may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

J TERM OF SPECIAL TAX

The Special Tax shall be levied until the earlier of (i) the final maturity of the Bonds or (ii) 40 years after the commencement of the Special Tax, provided that the Special Tax shall not be levied after Fiscal Year 2061-2062. The Special Taxes will cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on the Bonds have been paid, no delinquent Special Taxes remain uncollected, and the County has covenanted that it will not issue any more Bonds (other than refunding Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

EXHIBIT A

CERTIFICATE TO AMEND THE SPECIAL TAX

COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) OF THE COUNTY OF LOS ANGELES

IMPROVEMENT AREA NO. 1

TAX REDUCTION CERTIFICATE

1. Pursuant to Section H of the Rate and Method of Apportionment, as attached to the Notice of Special Tax Lien, recorded in the Official Records of the County of Los Angeles as Instrument No. XXXXXX on MM/DD/YYYY, the County of Los Angeles (the "County") hereby reduces the Assigned Special Taxes for Developed Property within CFD No. 2021-01 (IA No. 1) set forth in Table 1 of the Rate and Method of Apportionment for CFD No. 2021-01 (IA No. 1).
2. The calculations made pursuant to Section H were based upon a Price Point Study that was received by the CFD Administrator on ________________.
3. The information in Table 1, relating to the Assigned Special Tax for Developed Property within CFD No. 2021-01 (IA No. 1) shall be amended and restated in full as follows:

Table A-1: Assigned Special Tax for Developed Property

Land Use Class	Residential Floor Area	Assigned Special Tax
1	DETACHED PROPERTY (>= 4,201 SF)	[$] PER DWELLING UNIT
2	DETACHED PROPERTY (4,001 - 4,200 SF)	[$] PER DWELLING UNIT
3	DETACHED PROPERTY (3,801 - 4,000 SF)	[$] PER DWELLING UNIT
4	DETACHED PROPERTY (3,601 - 3,800 SF)	[$] PER DWELLING UNIT
5	DETACHED PROPERTY (3,401 - 3,600 SF)	[$] PER DWELLING UNIT
6	DETACHED PROPERTY (3,201 - 3,400 SF)	[$] PER DWELLING UNIT
7	DETACHED PROPERTY (3,001 - 3,200 SF)	[$] PER DWELLING UNIT
8	DETACHED PROPERTY (2,801 - 3,000 SF)	[$] PER DWELLING UNIT
9	DETACHED PROPERTY (2,601 - 2,800 SF)	[$] PER DWELLING UNIT
10	DETACHED PROPERTY (< 2,601 SF)	[$] PER DWELLING UNIT
11	CLUSTER PROPERTY (>= 3,101 SF)	[$] PER DWELLING UNIT
12	CLUSTER PROPERTY (2,901 - 3,100 SF)	[$] PER DWELLING UNIT
13	CLUSTER PROPERTY (2,701 - 2,900 SF)	[$] PER DWELLING UNIT
14	CLUSTER PROPERTY (2,501 - 2,700 SF)	[$] PER DWELLING UNIT
15	CLUSTER PROPERTY (2,301 - 2,500 SF)	[$] PER DWELLING UNIT
16	CLUSTER PROPERTY (2,101 - 2,300 SF)	[$] PER DWELLING UNIT
17	CLUSTER PROPERTY (1,901 - 2,100 SF)	[$] PER DWELLING UNIT
18	CLUSTER PROPERTY (1,701 - 1,900 SF)	[$] PER DWELLING UNIT
19	CLUSTER PROPERTY (1,501 - 1,700 SF)	[$] PER DWELLING UNIT
20	CLUSTER PROPERTY (< 1,501 SF)	[$] PER DWELLING UNIT
21	ATTACHED PROPERTY (>= 2,451 SF)	[$] PER DWELLING UNIT
22	ATTACHED PROPERTY (2,301 - 2,450 SF)	[$] PER DWELLING UNIT
23	ATTACHED PROPERTY (2,151 - 2,300 SF)	[$] PER DWELLING UNIT
24	ATTACHED PROPERTY (2,001 - 2,150 SF)	[$] PER DWELLING UNIT
25	ATTACHED PROPERTY (1,851 - 2,000 SF)	[$] PER DWELLING UNIT
26	ATTACHED PROPERTY (1,701 - 1,850 SF)	[$] PER DWELLING UNIT
27	ATTACHED PROPERTY (1,551 - 1,700 SF)	[$] PER DWELLING UNIT
28	ATTACHED PROPERTY (1,401 - 1,550 SF)	[$] PER DWELLING UNIT
29	ATTACHED PROPERTY (1,251 - 1,400 SF)	[$] PER DWELLING UNIT
30	ATTACHED PROPERTY (1,101 - 1,250 SF)	[$] PER DWELLING UNIT
31	ATTACHED PROPERTY (951 - 1,100 SF)	[$] PER DWELLING UNIT
32	ATTACHED PROPERTY (801 - 950 SF)	[$] PER DWELLING UNIT
33	ATTACHED PROPERTY (651 - 800 SF)	[$] PER DWELLING UNIT
34	ATTACHED PROPERTY (< 651 SF)	[$] PER DWELLING UNIT
35	APARTMENT PROPERTY	[$] PER SQUARE FOOT OF APARTMENT FLOOR AREA
36	NON-RESIDENTIAL PROPERTY	[$] PER SQUARE FOOT OF NON-RESIDENTIAL FLOOR AREA

4. The Backup Special Tax for an Assessor's Parcel of Developed Property shall equal the amount per Acre for each Final Map as shown in Table A-2 below.

Table A-2: Backup Special Tax

Final Map	Backup Special Tax
61101-05	[$________] PER ACRE
61105-01	[$________] PER ACRE
61105-02	[$________] PER ACRE
61105-03	[$________] PER ACRE
61105-04	[$________] PER ACRE
61105-06	[$________] PER ACRE
61105-07	[$________] PER ACRE
61105-08	[$________] PER ACRE
61105-09	[$________] PER ACRE
61105-10	[$________] PER ACRE
61105-11	[$________] PER ACRE
61105-12	[$________] PER ACRE
61105-13	[$________] PER ACRE
61105-14	[$________] PER ACRE
61105-15	[$________] PER ACRE
61105-16	[$________] PER ACRE
61105-18	[$________] PER ACRE
61105-19	[$________] PER ACRE
61105-20	[$________] PER ACRE
61105-21	[$________] PER ACRE
ALL OTHER FINAL MAPS	[$________] PER ACRE

5. On each July 1, commencing on July 1, _____, the Assigned Special Tax rates in Table A-1 and the Backup Special Tax rates in Table A-2 shall be increased by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

6. Upon execution of the certificate by the County and CFD No. 2021-01 (IA No. 1), the County shall cause an amended Notice of Special Tax Lien for CFD No. 2021-01 (IA No. 1) to be recorded reflecting the modifications set forth herein.

Submitted:

CFD ADMINISTRATOR

By: ______________________________ Date: ____________________

By execution hereof, the undersigned acknowledges, on behalf of CFD No. 2021-01 (IA No. 1), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

Improvement Area No. 1 of Community Facilities District No. 2021-01 (Valencia-Facilities) of the County of Los Angeles

By: ______________________________ Date as of: ____________________

ATTACHMENT “B”

Types of Facilities
to Be Financed by Community
Facilities District No. 2021-01

The County of Los Angeles Community Facilities District No. 2021-01 (Valencia – Facilities) (the “District”) (including Improvement Area No. 1 and each Future Improvement Area therein as originally designated and as designated in the future in conjunction with subsequent annexations of all or any part of the Future Annexation Area or other property) shall be authorized to finance all or a portion of the costs of acquisition, construction, and improvement of facilities permitted under the Mello-Roos Community Facilities Act of 1982 and that are required as conditions of development of the property within the District, the Future Annexation Area, and any other property annexed to the District, including, but not limited to, the following:

1. Road Improvements (including but not limited to Magic Mountain Parkway, Commerce Center Drive, Westridge Parkway, Long Canyon Road, Valencia Boulevard, Legacy Village Road, Potrero Valley Road, Homestead South Road, Landmark Road, Chiquito Valley Road, The Old Road, Henry Mayo Drive, and Wolcott).

2. Sewer Improvements (including but not limited to those included in the rights of way of the streets listed in 1).

3. Water Improvements (including but not limited to those included in the rights of way of the streets listed in 1).

4. Storm Drain Improvements (including but not limited to those included in the rights of way of the streets listed in 1).

5. Utility Improvements (including but not limited to those included in the rights of way of the streets listed in 1).

6. Median/Parkway Landscaping (including but not limited to that associated with the streets listed in 1).

7. Water Quality Basins.

8. Bridge Improvements.

9. Improvements to SR 126.

10. Interchanges, Bridges, and Pedestrian Bridges.

11. Public Parks.

12. Libraries.

13. Fire Stations.

14. Potable and Recycled Water Distribution Facilities.

15. Wastewater Reclamation Plant, including site acquisition, site development and facility improvements.

16. Utility Corridors.

17. Trails and Landscaping.

The facilities authorized to be financed may be located within or outside the boundaries of the District or any Improvement Area (as originally designated and as designated in the future in conjunction with subsequent annexations of all or any part of the Future Annexation Area or any other property).

The facilities to be financed shall include all hard and soft costs associated with the facilities, including the costs of the acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils testing, permits, plan check, and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing as further defined in one or more acquisition agreements with the developer of the property in the District or any Improvement Area (as originally designated and as designated in the future in conjunction with subsequent annexations of all or any part of the Future Annexation Area or any other property).

ATTACHMENT "C"

BALLOT PROPOSITIONS

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)

IMPROVEMENT AREA NO. 1

SPECIAL TAX AND SPECIAL BOND ELECTION

March 9, 2021

PROPOSITION A: Shall County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the "District") incur an indebtedness and issue one or more series of bonds in the maximum aggregate principal amount of $70,000,000 for Improvement Area No. 1 therein (the "Improvement Area"), with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Facilities and the Incidental Expenses described in the resolution of the Board of Supervisors of the County of Los Angeles adopted on March 9, 2021, establishing the District (the "Resolution of Formation")?	YES______ NO_______
PROPOSITION B: Shall a special tax with a rate and method of apportionment for the Improvement Area as provided in the Resolution of Formation be levied to pay for the Facilities, Incidental Expenses and other purposes described in the Resolution of Formation, including the payment of the principal of and interest on bonds issued by the District for the Improvement Area to finance the Facilities and Incidental Expenses?	YES______ NO_______
PROPOSITION C: For each year commencing with Fiscal Year 2020-21, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the District be an amount equal to $100,000,000?	YES______ NO_______

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES ESTABLISHING COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-02 (VALENCIA-SERVICES), AUTHORIZING THE LEVY OF SPECIAL TAXES, CALLING AN ELECTION WITHIN THE DISTRICT AND APPROVING AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO

WHEREAS, on January 26, 2021, the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopted a resolution (the "Resolution of Intention") stating its intention to establish County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services) ("Community Facilities District No. 2021-02" or the "District") and designate territoryj proposed for annexation to the District in the future (the "Future Annexation Area"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, a copy of the Resolution of Intention setting forth a description of the proposed boundaries of Community Facilities District No. 2021-02 and the Future Annexation Area, the services and incidental expenses to be financed by the District and the rate and method of apportionment of the special tax proposed to be levied within Zone 1 of the District is on file with the Executive Officer-Clerk of the Board of Supervisors; and

WHEREAS, notice was published and mailed to all landowners of the land proposed to be included within the District as required by law relative to the intention of this Board of Supervisors to form proposed Community Facilities District No. 2021-02, to designate the Future Annexation Area proposed for annexation to the District in the future, and to levy a special tax within Zone 1 of the District; and

WHEREAS, on March 9, 2021, this Board of Supervisors conducted a noticed public hearing as required by law relative to the proposed formation of Community Facilities District No. 2021-02, the designation of the Future Annexation Area, and the rate and method of apportionment of the special tax proposed for Zone 1 of the District; and

WHEREAS, at or before the March 9, 2021 public hearing there was filed with this Board of Supervisors a report containing a description of the services necessary to meet the needs of the District (as currently configured and as expanded through annexation of the Future Annexation Area) and an estimate of the cost of such services as required by Section 53321.5 of the Act (the "CFD Report"); and

WHEREAS, at the March 9, 2021 public hearing all persons desiring to be heard on all matters pertaining to the formation of Community Facilities District No. 2021-02, the designation of the Future Annexation Area, and the rate and method of apportionment of the special tax proposed for Zone 1 of the District were heard, and a full and fair hearing was held; and

WHEREAS, following the public hearing, this Board of Supervisors has determined to authorize the formation of the District to finance the types of services (the "Services") and incidental expenses to be incurred in connection with financing the Services and forming and administering the District (the "Incidental Expenses") set forth in Attachment "B" hereto, which are described in more detail in the CFD Report on file with the Executive Officer-Clerk of the Board of Supervisors; and

WHEREAS, at the public hearing evidence was presented to this Board of Supervisors on the matters before it, and the proposed special tax to be levied within Zone 1 of the District was not precluded by a majority protest of the type described in Section 53324 of the Act, and this Board of Supervisors at the conclusion of the hearing was fully advised as to all matters relating to the formation of the District, the designation of the Future Annexation Area and the levy of a special tax within Zone 1 of the District; and

WHEREAS, this Board of Supervisors has determined, based on a Certificate of Registrar of Voters on file in the office of the Executive Officer-Clerk of the Board of Supervisors, that no registered voters have been residing in the proposed boundaries of the District for each of the 90 days prior to March 9, 2021 and that the qualified electors in the District are the landowners within the District as of March 9, 2021; and

WHEREAS, on the basis of all of the foregoing, this Board of Supervisors has determined to proceed with the establishment of Community Facilities District No. 2021-02 and the designation of the Future Annexation Area, and to call an election within the District to authorize (i) the levy of special taxes within Zone 1 of the District pursuant to the rate and method of apportionment of the special tax, as set forth in Attachment "A" attached hereto, and (ii) the establishment of an appropriations limit for the District;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

<u>SECTION 1.</u> Each of the above recitals is true and correct.

<u>SECTION 2.</u> A community facilities district to be designated "County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services)" is hereby established pursuant to the Act. The Board of Supervisors further designates the Future Annexation Area shown in Attachment "A" to the Resolution of Intention as property proposed for annexation into the District from time to time in the future, by the unanimous consent and approval of the owner or owners of the parcel or parcels at the time of annexation (the "Unanimous Consent and Approval") and approved by the Board of Supervisors, acting as the legislative body of the District (the "Legislative Body"), and in compliance with the Acquisition, Funding and Disclosure Agreement (the "Acquisition Agreement") to be entered into among the County, the District the County and The Newhall Land and Farming Company (a California Limited Partnership), a California limited partnership, as such agreement may be amended from time to time in accordance with its terms, and other procedures established by the Act.

The Board of Supervisors hereby finds and determines that all prior proceedings taken with respect to the establishment of the District and the designation of the Future Annexation Area were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1(b) of the Act.

SECTION 3. The boundaries of Community Facilities District No. 2021-02 and the Future Annexation Area are established as shown on the map designated "County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services), County of Los Angeles, State of California", which map was recorded pursuant to Sections 3111 and 3112 of the Streets and Highways Code in the County of Los Angeles Book of Maps of Assessment and Community Facilities Districts in the County Recorder's Office in Book No. 195 Page Nos. 84-87, on February 4, 2021 as Instrument No. 2021-10197580.

SECTION 4. The types of Services and Incidental Expenses authorized to be provided for Community Facilities District No. 2021-02 (as currently configured and as expanded through annexation of the Future Annexation Area) are those set forth in Attachment "B" attached hereto. The estimated cost of the Services and Incidental Expenses to be financed is set forth in the CFD Report.

SECTION 5. Except where funds are otherwise available, it is the intention of the Board of Supervisors, subject to the approval of the eligible voters within Zone 1 of the District, to levy annually a special tax at the rates set forth in Attachment "A" hereto on all non-exempt property within Zone 1 of the District, sufficient to pay for (i) the Services and Incidental Expenses to be financed by the District. The rate and method of apportionment of the special tax for the District is described in detail in Attachment "A" hereto and incorporated herein by this reference, and the Board of Supervisors hereby finds that Attachment "A" contains sufficient detail to allow each landowner within the District to estimate the maximum amount that may be levied against each parcel.

Except where funds are otherwise available, it is the intention of the Board of Supervisors to levy a special tax on any property in the Future Annexation Area that is annexed to the District upon receipt of a Unanimous Consent and Approval and approval of the Legislative Body of a new Tax Zone ("Future Zone"), at the rates for such Future Zone to be set forth in such Unanimous Consent and Approval, sufficient to pay for (i) the portion of the Services and Incidental Expenses to be financed by the District for such Future Zone so annexed. Pursuant to Section 53339.3(d) of the Act and the Acquisition Agreement, the special tax rates to pay for the Services to be supplied within any territory annexed to the District in the future may be higher or lower than the special tax rates in the District at the time of such annexation to the extent that the actual cost of providing the services in the territory to be annexed is higher or lower than the cost of providing those services in the District at the time of such annexation.

As described in greater detail in the CFD Report, which is incorporated by reference herein, the special tax to be levied within the District is based on the expected demand that each parcel of real property within the District will place on the Services and, accordingly, is hereby determined to be reasonable. The special tax within the District shall be levied on each assessor's parcel so long as is required to pay for the Services, as described in Attachment "A" hereto. The special tax is apportioned to each parcel within the District on the foregoing bases pursuant to Section 53325.3 of the Act and such special tax is not on or based upon the ownership of real property or the assessed value of real property.

The District expects to incur, and in certain cases has already incurred, Incidental Expenses in connection with the creation of the District, the levying and collecting of the special taxes and the annual administration of the District.

If special taxes are levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall be specified as a dollar amount which shall be calculated and established not later than the date on which the parcel is first subject to the special tax because of its use for private residential purposes and shall not be increased over time, except that it may be increased annually by the greater of the change in the Consumer Price Index (as defined in Attachment "A" hereto) or 2.00%, provided that such annual increase shall not exceed 5.00%, all as to the extent permitted in the rate and method of apportionment of the special tax set forth in Attachment "A," (ii) such special tax shall be levied so long as is required to pay for the Services, as described in Attachment "A" hereto, and (iii) under no circumstances will the special tax levied against any such parcel in the District used for private residential uses be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District by more than ten percent above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

The Office of the Treasurer and Tax Collector of the County of Los Angeles, 500 West Temple Street, Suite 432, Los Angeles, CA 90012, telephone number (213) 974-7175, will be responsible for preparing annually, or authorizing a designee to prepare, a current roll of special tax levy obligations by assessor's parcel number and will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Act.

<u>SECTION 6.</u> In the event that a portion of the property within the District shall become for any reason exempt, wholly or partially, from the levy of the special tax applicable thereto, or in the event of delinquencies in the payment of special taxes levied therein, the Board of Supervisors shall, on behalf of Community Facilities District No. 2021-02, increase the levy to the extent necessary and permitted by law and these proceedings upon the remaining property within the District which is not exempt or delinquent in order to prevent the District from defaulting on any other obligations or liabilities payable from the special taxes; provided, however, under no circumstances will the special tax levied against any parcel used for private residential uses be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District by more than ten percent above the amount that would have been levied in that fiscal year had there never been any delinquencies or defaults in special tax payments. The amount of the special tax for parcels within Zone 1 of the District at the time of formation will be set in accordance with the rate and method of apportionment of the special tax attached hereto as Attachment "A." With respect to any property within the Future Annexation Area that is annexed to the District as a Future Zone, the amount of the special tax will be set forth in the Unanimous Consent and Approval and approved by the Legislative Body for such property so annexed. The obligation of parcels within the District to pay special taxes may not be prepaid.

<u>SECTION 7.</u> Upon recordation of a notice of special tax lien for the District pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all non-exempt real property in the District and this lien shall continue in force and effect until the lien is canceled in accordance with law or until collection of the special tax ceases.

<u>SECTION 8.</u> Consistent with Section 53325.6 of the Act, the Board of Supervisors finds and determines that the land within Community Facilities District No. 2021-02, if any, devoted primarily to agricultural, timber or livestock uses and being used for the commercial production of agricultural, timber or livestock products is contiguous to other land within Community Facilities District No. 2021-02 and will be benefited by the Services proposed to be provided within Community Facilities District No. 2021-02.

SECTION 9. Written protests against the establishment of the District and the designation of the Future Annexation Area have not been filed by one-half or more of the registered voters within the boundaries of the District or by the property owners of one-half (1/2) or more of the area of land within the District. The Board of Supervisors hereby finds that the proposed special tax for the District has not been precluded by a majority protest pursuant to Section 53324 of the Act.

SECTION 10. The District may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying any cost incurred in establishing Community Facilities District No. 2021-02. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the Board of Supervisors, with or without interest.

SECTION 11. An election is hereby called for the District on the propositions of levying the special tax on the property within the District and establishing an appropriations limit for the District pursuant to Section 53325.7 of the Act. The language of the propositions to be placed on the ballot for the election within the District is attached hereto as Attachment "C."

SECTION 12. The date of the election for the District on the propositions of authorizing the levy of the special taxes and establishing an appropriations limit for the District shall be March 9, 2021, or such later date as is consented to by the Executive Officer-Clerk of the Board of Supervisors; provided that, if the election is to take place sooner than 90 days after March 9, 2021, then the unanimous written consent of the qualified electors within the District to such election date must be obtained. If held on March 9, 2021, the polls shall be open for said election immediately following the adoption of this Resolution until 5:00 p.m., and between the hours of 8:00 a.m. and 5:00 p.m. if held on a later date. The elections shall be conducted by the Executive Officer-Clerk of the Board of Supervisors. Except as otherwise provided by the Act, the elections shall be conducted in accordance with the provisions of law regulating elections of the County of Los Angeles insofar as such provisions are determined by the Executive Officer-Clerk of the Board of Supervisors to be applicable. The Executive Officer-Clerk of the Board of Supervisors is authorized to conduct the elections following the adoption of this resolution, and all ballots shall be received by, and the Executive Officer-Clerk of the Board of Supervisors shall close the elections by, 5:00 p.m. on the election day; provided an election shall be closed at such earlier time as all qualified electors in such election have voted as provided in Section 53326(d) of the Act. Pursuant to Section 53326 of the Act, the ballots for the special election shall be distributed in person, or by mail with return postage prepaid, to the qualified electors within Community Facilities District No. 2021-02. The Registrar of Voters has certified in a certificate on file with the Executive Officer-Clerk of the Board of Supervisors that there were no registered voters within the District as of January 22, 2021. Accordingly, since there were fewer than 12 registered voters within the District for each of the 90 days preceding March 9, 2021, the qualified electors shall be the landowners within the District and each landowner, or the authorized representative thereof, shall have one vote for each acre or portion thereof that such landowner owns within the District, as provided in Section 53326 of the Act.

SECTION 13. The preparation of the CFD Report is hereby ratified. The CFD Report, as submitted, is hereby approved and was made a part of the record of the public hearing regarding the formation of Community Facilities District No. 2021-02. The CFD Report is ordered to be kept on file with the transcript of these proceedings and open for public inspection.

SECTION 14. This Resolution shall be effective upon its adoption.

The foregoing resolution was adopted on the 9TH day of MARCH, 2021, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

CELIA ZAVALA, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: ______________________________
DEPUTY

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
County Counsel

By: ______________________________
Deputy County Counsel

ATTACHMENT “A”

RATE AND METHOD OF APPORTIONMENT FOR COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-02 (VALENCIA-SERVICES)

RATE AND METHOD OF APPORTIONMENT
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA-SERVICES)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services) ("CFD No. 2021-02") and collected each Fiscal Year commencing in Fiscal Year 2021-2022, in an amount determined by the Board, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2021-02, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No 2021-02: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the County or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the County, CFD No. 2021-02 or any designee thereof related to an appeal of the Special Tax; and the County's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the County or CFD No. 2021-02 for any other administrative purposes of CFD No. 2021-02, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.

"Affordable Housing Property" means Dwelling Units, located on one or more Assessor's Parcels for which a Building Permit for new construction was issued after January 1, 2020 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the County providing affordable housing for households with incomes below 120% of the County of Los Angeles median income, and are therefore exempt from the Special Tax.

"Apartment Property" means Assessor's Parcels for which Building Permits have been issued for Dwelling Units located in a building or buildings comprised of

Dwelling Units available for rent, but not purchase, by the general public and under common management.

"Apartment Floor Area" means the total building square footage of Apartment Property, measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two sides, as determined by reference to the Building Permit(s) issued for that Assessor's Parcel, or if these are not available, as otherwise determined by the CFD Administrator.

"Assessor's Parcel" means any real property to which an Assessor's Parcel Number is assigned as shown on an Assessor's Parcel Map.

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

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Attached Property" means, in any Fiscal Year, all Residential Property for which Building Permits were issued for construction of a residential structure consisting of two or more Dwelling Units that share common walls, including garage walls. Dwelling Units to be included in this category shall include, but not be limited to, townhomes, condominiums, triplex units, and duplex units. Dwelling Units on Apartment Property shall be excluded from this category.

"Annual Special Tax Requirement" means the sum of the Developed Property Special Tax Requirement and the Final Mapped Property/Undeveloped Property Special Tax Requirement.

"Authorized Services" means those services eligible to be funded, as defined in the Resolution of Formation and authorized to be financed by CFD No. 2021-02 pursuant to Section 53313 and Section 53313.5 of the Act. CFD No. 2021-02 shall finance Authorized Services only to the extent that they are in addition to those provided in the territory before the CFD was created and such Authorized Services may not supplant services already available within CFD No. 2021-02 when the CFD was created.

"Board" means the Board of Supervisors of the County.

"Boundary Map" means a recorded map(s) which indicates the boundaries of CFD No. 2021-02.

"Building Permit" means the first legal document issued by the County giving official permission for the construction of a building on an Assessor's Parcel. For purposes of this definition and application of the Special Tax, "Building Permit" may or may not include any subsequent building permits issued or changed after the first issuance, as determined by the CFD Administrator.

"CFD Administrator" means an official of the County, or designee thereof, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD Formation" means the date on which the Board approved documents to form CFD No. 2021-02.

"CFD No. 2021-02" means the County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services).

"Cluster Property" means Assessor's Parcels of Developed Property for which Building Permits have been issued for Dwelling Units that are or are expected to (i) share a lot, designated by a Final Map, with one or more Dwelling Units; and (ii) be surrounded by freestanding walls and that do not share an inside wall with any other Dwelling Unit, as determined by the CFD Administrator. Dwelling Units to be included in this category shall include, but not be limited to, 3-Pack units, 8-Pack units, and 10-Pack units.

"Consumer Price Index" means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the Los Angeles – Long Beach – Anaheim Area, measured as of the month of December in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the Los Angeles – Long Beach – Anaheim Area.

"County" means the County of Los Angeles.

"Detached Property" means Assessor's Parcels of Developed Property for which Building Permits have been issued for Dwelling Units that are or are expected to be (i) each located on a separate lot designated by a Final Map, and (ii) surrounded by freestanding walls and that do not share an inside wall with any other Dwelling Unit, as determined by the CFD Administrator.

"Developed Property" means, for each Fiscal Year, all Taxable Property located within a Final Map that was recorded as of January 1 of the prior Fiscal Year, for which a Building Permit was issued prior to May 1 of the prior Fiscal Year.

"Developed Property Special Tax Requirement" means that amount to (i) pay for Authorized Services; (ii) build up the Reserve Fund up to the Reserve Fund Requirement for each Zone not to exceed in any given Fiscal Year 20% of Authorized Services for that Zone; and (iii) pay Administrative Expenses; less (iv) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Developed Property Special Tax Requirement include debt service payments for debt financings by CFD No. 2021-02.

"Dwelling Unit" means one residential unit of any configuration, including, but not limited to, a single-family attached or detached dwelling, condominium, apartment, mobile home, or otherwise.

"Exempt Welfare Exemption Property" means, for each Fiscal Year, an Assessor's Parcel that is (a) receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County's assessor's roll finalized as of January 1 of the previous Fiscal Year, and (b) exempt from the Special Tax pursuant to Section 53340(c) of the Act.

"Final Map" means (i) a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots or parcels for which Building Permits may be issued without further subdivision, or (ii) for condominiums, a final map approved by the County and a condominium plan recorded pursuant to California Civil Code Section 4285 creating such individual lots or parcels.

"Final Mapped Property" means all Assessor's Parcels of Taxable Property: (i) that are included in a Final Map recorded prior to the January 1st preceding the Fiscal Year in which the Special Tax is being levied; and (ii) for which a Building Permit has not been issued on or before May 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Final Mapped Property/Undeveloped Property Special Tax Requirement" means that amount to (i) pay for Authorized Services not funded by the levy of Special Taxes on Developed Property through the Developed Property Special Tax Requirement; (ii) build up the Reserve Fund up to the Reserve Fund Requirement for each Zone not to exceed in any given Fiscal Year 20% of Authorized Services for that Zone not funded by the levy of Special Taxes on Developed Property through the Developed Property Special Tax Requirement; and (iii) pay Administrative Expenses not funded by the levy of Special Taxes on Developed Property though the Developed Property Special Tax Requirement; less (iv) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Final Mapped Property/Undeveloped Property Special Tax Requirement include debt service payments for debt financings by CFD No. 2021-02.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Future Annexation Area" means that geographic area that, at the time of CFD Formation, was considered potential annexation area for CFD No. 2021-02 and which was, therefore, identified as "future annexation area" on the recorded CFD No. 2021-02 Boundary Map. Such designation does not mean that any or all of the Future Annexation Area will annex into CFD No. 2021-02, but should property designated as Future Annexation Area choose to annex, the annexation may be processed pursuant to the annexation procedures in the Act for territory included in a future annexation area, as well as the procedures established by the Board.

"Land Use Class" means any of the categories listed in Table 1 below.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel.

"Non-Residential Floor Area" means the total building square footage of the non-residential building(s) located on an Assessor's Parcel, measured from outside wall to outside wall, not including space devoted to stairwells, public restrooms, lighted courts, vehicle parking and areas incident thereto, and mechanical equipment incidental to the operation of such building. The determination of Non-Residential Floor Area shall be made by reference to the Building Permit(s) issued for such Assessor's Parcel and/or to the appropriate records kept by the County, as reasonably determined by the CFD Administrator.

"Non-Residential Property" means all Assessor's Parcels of Taxable Property for which a Building Permit(s) was issued for a non-residential use. The CFD Administrator shall make the determination if an Assessor's Parcel is Non-Residential Property.

"Property Owner Association" means, collectively, any property owner association or homeowners association, including any master- or sub-association, created for the property in CFD No. 2021-02.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2021-02 that was owned by (i) a Property Owner Association, as of January 1 of the prior Fiscal Year, or (ii) a transportation management organization, as of January 1 of the prior Fiscal Year.

"Proportionately" means, within each Zone, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property. For Final Mapped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Final Mapped Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property.

"Public Property" means, for each Fiscal Year, any property within CFD No. 2021-02 that is owned by, irrevocably offered for dedication to, or dedicated to the federal government, the State, the County, or any other public agency as of June 30 of the prior Fiscal Year; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a public agency, the property owner shall notify the CFD Administrator in writing of such acquisition, offer, or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

"Rate and Method of Apportionment' means this Rate and Method of Apportionment of Special Taxes, County of Los Angeles, Community Facilities District No. 2021-02 (Valencia-Services).

"Reserve Fund" means a reserve fund to be used for one-time setup costs, capital replacement, and maintenance costs.

"Reserve Fund Requirement" means for each Zone, an amount equal to up to 100% of the anticipated annual cost of Authorized Services at buildout of that Zone.

"Residential Property" means Developed Property for which a Building Permit has been issued for purposes of constructing one or more Dwelling Units.

"Resolution of Formation" means the resolution adopted by the Board pursuant to Section 53325.1 of the Act, establishing CFD No. 2021-02.

"Special Tax" means a special tax levied in any Fiscal Year to pay the Annual Special Tax Requirement.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2021-02 which are not exempt from the Special Tax pursuant to law or Section E below.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property, Final Mapped Property, Public Property, or Property Owner's Association Property.

"Zone" means a mutually exclusive geographic area or areas, within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment. The initial Zone of CFD No. 2021-02 is identified as Zone 1. Additional Zones may be created when property is annexed into CFD No. 2021-02.

B ASSIGNMENT TO LAND USE CLASSES

Each Fiscal Year, beginning with Fiscal Year 2021-2022, each Assessor's Parcel of Taxable Property shall be classified as Developed Property, Final Mapped Property, Undeveloped Property, Public Property and/or Property Owner's Association Property.

Assessor's Parcels of Developed Property shall further be classified as Residential Property or Non-Residential Property. Finally, each Assessor's Parcel of Residential Property shall further be classified as a Detached Property, Cluster Property, Attached Property, Apartment Property, or Affordable Housing Property.

C MAXIMUM SPECIAL TAX

C.1 Developed Property

C.1.a Maximum Special Tax

The Maximum Special Tax for Fiscal Year 2021-2022 for Developed Property is shown below in Table 1.

Table 1: Maximum Special Taxes for Developed Property

Land Use Class	Description	Fiscal Year 2021-2022 Maximum Special Tax
1	DETACHED PROPERTY	$615 PER DWELLING UNIT
2	CLUSTER PROPERTY	$567 PER DWELLING UNIT
3	ATTACHED PROPERTY	$476 PER DWELLING UNIT
4	AFFORDABLE HOUSING PROPERTY	$0 PER DWELLING UNIT
5	APARTMENT PROPERTY	$0.29 PER SQUARE FOOT OF APARTMENT FLOOR AREA
6	NON-RESIDENTIAL PROPERTY	$0.29 PER SQUARE FOOT OF NON-RESIDENTIAL FLOOR AREA

C.1.b Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on the Assessor's Parcel. The CFD Administrator's allocation to each Land Use Class shall be final.

C.1.c Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2022, the Maximum Special Tax for Developed Property shall be increased annually by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

C.2 Final Mapped Property

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property shall be $8,402 per Acre, and shall increase annually thereafter, commencing on July 1, 2022 and on July 1 of each Fiscal Year thereafter, by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

C.3 Undeveloped Property

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property shall be $8,402 per Acre, and shall increase annually thereafter, commencing on July 1, 2022 and on July 1 of each Fiscal Year thereafter, by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

D ANNEXATIONS

It is anticipated that additional properties will be annexed into CFD No. 2021-02 from time to time. For Land Use Classes not included in the initial boundaries of CFD No. 2021-02, a study and report describing the Authorized Services to be provided to such properties and the estimated cost of such Authorized Services shall be provided to the Board as the legislative body of CFD No. 2021-02 in accordance with Section 53321.5 of the Mello-Roos Act. Based on this analysis, the property to be annexed, pursuant to California Government Code section 53339 et. seq. will be assigned an appropriate Maximum Special Tax rate for the Zone or areas within the Zone by Land Use Class as provided herein or as defined and detailed when annexed and included in Exhibit A.

E APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2021-2022 and for each following Fiscal Year, the County shall levy the Special Tax as follows:

First: Determine the Developed Property Special Tax Requirement and Proportionately levy the Special Tax on each Assessor's Parcel of Developed Property until the amount levied on Developed Property is equal to the lesser of (i) the Developed Property Special Tax Requirement, or (ii) 100% of the applicable Maximum Special Tax for Developed Property;

Second: Determine the Final Mapped Property/Undeveloped Property Special Tax Requirement and Proportionately levy the Special Tax on each Assessor's Parcel of Final Mapped Property until the amount levied on Final Mapped Property is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Special Tax Requirement, or (ii) 100% of the applicable Maximum Special Tax for Final Mapped Property;

Third: If additional monies are needed to satisfy the Final Mapped Property/Undeveloped Property Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property until the amount levied on Undeveloped Property is equal to the lesser of (i) the Final Mapped Property/Undeveloped Property Special Tax Requirement less the amount levied pursuant to the second step above, or (ii) 100% of the applicable Maximum Special Tax for Undeveloped Property.

F PREPAYMENT

No prepayments of the Special Tax are permitted.

G EXEMPTIONS

No Special Tax shall be levied on (i) Assessor's Parcels which are Public Property, Property Owner Association Property, Affordable Housing Property, or Exempt Welfare Exemption Property; (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization; (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement; (iv) Assessor's Parcels which are privately owned and are encumbered by or restricted solely for public uses; or (v) Assessor's Parcels restricted to other types of public uses determined by the Board.

H APPEALS AND INTERPRETATIONS

Any taxpayer may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the clerk of the Board, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

Interpretations may be made by the Board by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

I MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2021-02 may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

J TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to meet the Annual Special Tax Requirement, unless no longer required to pay for Authorized Services as determined at the discretion of the Board.

EXHIBIT A

MAXIMUM SPECIAL TAXES BY ZONE

COUNTY OF LOS ANGELES

COMMUNITY FACILITIES DISTRICT NO. 2021-02 (VALENCIA-SERVICES)

Table A-1: Maximum Special Tax Rates for Developed Property
Zone 1
(Fiscal Year 2021-2022)

Land Use Class	Description	Fiscal Year 2021-2022 Maximum Special Tax
1	DETACHED PROPERTY	$615 PER DWELLING UNIT
2	CLUSTER PROPERTY	$567 PER DWELLING UNIT
3	ATTACHED PROPERTY	$476 PER DWELLING UNIT
4	AFFORDABLE HOUSING	$0 PER DWELLING UNIT
5	APARTMENT PROPERTY	$0.29 PER SQUARE FOOT OF APARTMENT FLOOR AREA
6	NON-RESIDENTIAL PROPERTY	$0.29 PER SQUARE FOOT OF NON-RESIDENTIAL FLOOR AREA

Increases in the Maximum Special Tax

On each July 1, commencing on July 1, 2022, the Maximum Special Tax for Developed Property shall be increased annually by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

Final Mapped Property

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property shall be $8,402 per Acre, and shall increase annually thereafter, commencing on July 1, 2022 and on July 1 of each Fiscal Year thereafter, by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

Undeveloped Property

The Fiscal Year 2021-2022 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property shall be $8,402 per Acre, and shall increase annually thereafter, commencing on July 1, 2022 and on July 1 of each Fiscal Year thereafter, by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year and two percent (2.00%), but such annual increase shall not exceed five percent (5.00%).

ATTACHMENT "B"

Types of Services
to Be Financed by Community
Facilities District No. 2021-02

The County of Los Angeles Community Facilities District No. 2021-02 (Valencia – Services) (the "District") and any other property annexed into the District in the future shall be authorized to finance all or a portion of the costs of the types of services permitted pursuant to Government Section 53313, which shall include, but not be limited to, the following:

1. Parkway and Median Landscaping for streets financed by the District.

2. Maintenance of Water Quality System Improvements.

3. High Country Maintenance (per applicable conditions of approval for the Project).

4. Public Park Maintenance, excluding park recreation services/programming.

ATTACHMENT "C"

BALLOT PROPOSITIONS

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA-SERVICES)

SPECIAL TAX ELECTION

March 9, 2021

PROPOSITION A: Shall a special tax with a rate and method of apportionment for County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services) (the "District") as provided in the resolution of the Board of Supervisors of the County of Los Angeles, adopted on March 9, 2021, establishing the District (the "Resolution of Formation") be levied to pay for the Services, Incidental Expenses and other purposes described in the Resolution of Formation?	YES______ NO_______
PROPOSITION B: For each year commencing with Fiscal Year 2020-21, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the District be an amount equal to $200,000,000?	YES______ NO_______

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES ACTING AS THE LEGISLATIVE BODY OF COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN SUCH DISTRICT AND IMPROVEMENT AREA NO. 1 THEREIN AND CALLING ELECTIONS THEREIN

WHEREAS, on January 26, 2021, the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopted a resolution (the "Resolution of Intention") stating its intention to establish County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) ("Community Facilities District No. 2021-01" or the "District"), designate Improvement Area No. 1 therein ("Improvement Area No. 1") and designate territory proposed for annexation to the District in the future (the "Future Annexation Area") as one or more future improvement areas ("Future Improvement Areas"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, on January 26, 2021, the Board of Supervisors also adopted a resolution (the "Resolution of Intention to Incur Debt") stating its intention to incur bonded indebtedness for the District and with respect to the proposed Improvement Area No. 1, in the amount of up to $70,000,000 to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of public facilities identified in Attachment "B" to the Resolution of Intention, and (2) the incidental expenses to be incurred in financing such public facilities and forming and administering the District, as identified in Attachment "B" to the Resolution of Intention; and

WHEREAS, notice was published as required by law relative to the intention of the Board of Supervisors to form the proposed Community Facilities District No. 2021-01, to designate Improvement Area No. 1 therein, to designate the Future Annexation Area as property proposed for annexation to the District in the future, and to incur bonded indebtedness within the District, and with respect to the proposed Improvement Area No. 1, in the amount of up to $70,000,000; and

WHEREAS, on March 9, 2021, this Board of Supervisors conducted a noticed public hearing to determine whether it should proceed with the formation of Community Facilities District No. 2021-01, the designation of Improvement Area No. 1, the designation of the Future Annexation Area as property proposed for annexation to the District in the future, the levy of a special tax within Improvement Area No. 1 in accordance with the rate and method of apportionment of a special tax for Improvement Area No. 1, and the issuance of bonds for Improvement Area No. 1 to pay for a portion of the facilities and incidental expenses described in the Resolution of Intention; and

WHEREAS, at said hearing all persons desiring to be heard on all matters pertaining to the formation of Community Facilities District No. 2021-01, the designation of Improvement Area No. 1, the designation of the Future Annexation Area as property proposed for annexation to the District in the future, the levy of a special tax and the issuance of bonds within Improvement Area No. 1 to pay for a portion of the cost of the proposed facilities and incidental expenses were heard, and a full and fair hearing was held; and

WHEREAS, the Board of Supervisors subsequent to such hearing, on March 9, 2021, adopted a resolution (the "Resolution of Formation") establishing Community Facilities District No. 2021-01, designating Improvement Area No. 1 and the Future Annexation Area, and authorizing the financing of the public facilities (the "Facilities") and the incidental expenses (the "Incidental Expenses") described in Attachment "B" thereto; and

WHEREAS, the Board of Supervisors desires to make the necessary findings to incur bonded indebtedness within the District and for Improvement Area No. 1, to declare the purpose for said debt, and to authorize the submittal of a proposition to issue bonded indebtedness to the voters of Improvement Area No. 1, being the landowners therein, all as authorized and required by law;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

SECTION 1. It is necessary to incur bonded indebtedness in one or more series in a maximum aggregate principal amount not to exceed $70,000,000 within Improvement Area No. 1.

From time to time, upon the annexation to the District of a parcel or parcels within the Future Annexation Area as one or more Future Improvement Areas as set forth in the Resolution of Formation, the not-to-exceed amount of bonded indebtedness necessary to be incurred by the District on behalf of each Future Improvement Area shall be set forth in each unanimous consent and approval of the owner or owners of such parcel or parcels (the "Unanimous Consent and Approval") submitted for annexation and shall be approved by the Board of Supervisors, acting as the legislative body of the District (the "Legislative Body") at the time of such annexation in accordance with the Act and the Acquisition, Funding and Disclosure Agreement (the "Acquisition Agreement"), to be entered into among the County, the District, and The Newhall Land and Farming Company (a California Limited Partnership), a California limited partnership, as such agreement may be amended from time to time in accordance with its terms.

SECTION 2. The indebtedness within the District and for Improvement Area No. 1 and for any Future Improvement Area is to be incurred for the purpose of financing a portion of the costs of purchasing, constructing, modifying, expanding, improving, or rehabilitating the Facilities and financing the Incidental Expenses, as described in the Resolution of Formation, and carrying out the powers and purposes of Community Facilities District No. 2021-01, including, but not limited to, financing the costs of selling the bonds, establishing and replenishing bond reserve funds and paying remarketing, credit enhancement and liquidity facility fees and other expenses of the type authorized by Section 53345.3 of the Act.

SECTION 3. The whole of the property within Improvement Area No. 1, other than property exempted from the special tax pursuant to the provisions of the rate and method of apportionment for Improvement Area No. 1 attached to the Resolution of Formation as Attachment "A," shall pay for the bonded indebtedness issued by the District for Improvement Area No. 1 pursuant to the levy of the special tax for Improvement Area No. 1 as authorized by the Resolution of Formation.

SECTION 4. The whole of the property within any Future Improvement Area other than property exempted from the special tax pursuant to the provisions for the rate and method of apportionment for such Future Improvement Area shall pay for the bonded indebtedness issued by the District for such Future Improvement Area pursuant to the levy of the special tax for such Future Improvement Area as authorized by the Unanimous Consent and Approval and as approved by the

Legislative Body.

<u>SECTION 5.</u> The maximum term of each series of the bonds issued by the District for Improvement Area No. 1 or any Future Improvement Area shall in no event exceed thirty-five (35) years.

<u>SECTION 6.</u> The bonds shall bear interest at the rate or rates not to exceed the maximum interest rate permitted by law, payable annually or semiannually, or in part annually and in part semiannually, except the first interest payment may be for a period of less than six months, with the actual rate or rates and times of payment to be determined at the time or times of sale thereof.

<u>SECTION 7.</u> The bonds may bear a variable or fixed interest rate, provided that such variable rate or fixed rate shall not exceed the maximum rate of twelve percent (12%) per annum, or such higher rate as is permitted by any other applicable provision of law limiting the maximum interest rate on the bonds. The bonds may be issued as bonds the interest on which is either included or excluded from gross income for federal income tax purposes.

<u>SECTION 8.</u> Pursuant to Section 53351 of the Act, a special election is hereby called for Improvement Area No. 1 on the proposition of incurring the bonded indebtedness therein. The proposition relative to incurring bonded indebtedness in the maximum aggregate principal amount of $70,000,000 shall be in the form of Proposition A set forth in Attachment "A" hereto. In accordance with Sections 53351(h) and 53353.5 of the Act, the election shall be consolidated with the special election called on the proposition of levying a special tax within Improvement Area No. 1 as described in the Resolution of Formation, which proposition shall be in the form of Proposition B set forth in Attachment "A," and on the proposition of establishing an appropriations limit for the District, which proposition shall be in the form of Proposition C set forth in Attachment "A."

<u>SECTION 9.</u> The date of the special elections for Improvement Area No. 1 on the propositions of incurring the bonded indebtedness, authorizing the levy of the special taxes and setting an appropriations limit as set forth in Attachment "A" hereto shall be March 9, 2021, or such later date as is consented to by the Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles; provided that, if the election for Improvement Area No. 1 is to take place sooner than 90 days after March 9, 2021, then the unanimous written consent of each qualified elector within Improvement Area No. 1 to such election date must be obtained. If held on March 9, 2021, the polls shall be open for said election immediately following the adoption of this Resolution until 5:00 p.m., and between the hours of 8:00 a.m. and 5:00 p.m. if held on a later date. The elections shall be conducted by the Executive Officer-Clerk of the Board of Supervisors. Except as otherwise provided by the Act, the elections shall be conducted in accordance with the provisions of law regulating elections of the County of Los Angeles insofar as such provisions are determined by the Executive Officer-Clerk of the Board of Supervisors to be applicable. The Executive Officer-Clerk of the Board of Supervisors is authorized to conduct the elections following the adoption of the Resolution of Formation, and this resolution, and all ballots shall be received by, and the Executive Officer-Clerk of the Board of Supervisors shall close the election by, 5:00 p.m. on the election day; provided an election shall be closed at such earlier time as all qualified electors have voted as provided in Section 53326(d) of the Act. Pursuant to Section 53326 of the Act, the ballots for the special elections shall be distributed in person, or by mail with return postage prepaid, to the qualified electors within each of the Improvement Areas. The Registrar of Voters has certified in a certificate on file with the Executive Officer-Clerk of the Board of Supervisors that there were no registered voters within the District and Improvement Area No. 1 as of January 22, 2021. Accordingly, since there were fewer than 12 registered voters within the District

and Improvement Area No. 1 for each of the 90 days preceding March 9, 2021, the qualified electors shall be the landowners within Improvement Area No. 1 and each landowner, or the authorized representative thereof, shall have one vote for each acre or portion thereof that such landowner owns within Improvement Area No. 1, as provided in Section 53326 of the Act.

SECTION 10. This Resolution shall be effective upon its adoption.

The foregoing resolution was adopted on the 9TH day of MARCH, 2021, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

CELIA ZAVALA, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: ______________________________
DEPUTY

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
County Counsel

By: ______________________________
Deputy County Counsel

ATTACHMENT A

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
IMPROVEMENT AREA NO. 1

SPECIAL TAX AND SPECIAL BOND ELECTION

March 9, 2021

PROPOSITION A: Shall County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the "District") incur an indebtedness and issue one or more series of bonds in the maximum aggregate principal amount of $70,000,000 for Improvement Area No. 1 therein (the "Improvement Area"), with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Facilities and the Incidental Expenses described in the resolution of the Board of Supervisors of the County of Los Angeles adopted on March 9, 2021, establishing the District (the "Resolution of Formation")?

YES______

NO_______

PROPOSITION B: Shall a special tax with a rate and method of apportionment for the Improvement Area as provided in the Resolution of Formation be levied to pay for the Facilities, Incidental Expenses and other purposes described in the Resolution of Formation, including the payment of the principal of and interest on bonds issued by the District for the Improvement Area to finance the Facilities and Incidental Expenses?

YES______

NO_______

PROPOSITION C: For each year commencing with Fiscal Year 2020-21, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the District be an amount equal to $100,000,000?

YES______

NO_______

RESOLUTION OF THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY, CALIFORNIA ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) CERTIFYING THE RESULTS OF ELECTIONS HELD WITHIN IMPROVEMENT AREA NO. 1

WHEREAS, the Board of Supervisors called and duly held elections on March 9, 2021 within the boundaries of Improvement Area No. 1 ("Improvement Area No. 1") of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) ("Community Facilities District No. 2021-01" or the "District") pursuant to a resolution establishing the District and a resolution determining the necessity to incur bonded indebtedness within the District and Improvement Area No. 1, each adopted by the Board of Supervisors on March 9, 2021, for the purpose of presenting to the qualified electors within Improvement Area No. 1, Propositions A, B and C, attached hereto as Exhibit A; and

WHEREAS, there has been presented to this Board of Supervisors a certificate of the Executive Officer-Clerk of the Board of Supervisors canvassing the results of the election within Improvement Area No. 1, a copy of which is attached hereto as Exhibit B;

NOW, THEREFORE, the Board of Supervisors of the County of Los Angeles acting in its capacity as the legislative body of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

SECTION 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

SECTION 2. Propositions A, B and C presented to the qualified electors of Improvement Area No. 1 on March 9, 2021, as set forth in Exhibit A hereto, were approved by more than two-thirds of the votes cast at said election and each of Propositions A, B and C has carried. The Board of Supervisors, acting as the legislative body of the District, is hereby authorized to levy on the land within Improvement Area No. 1 the special tax described in Proposition B as set forth in Exhibit A hereto for the purposes described therein and to take the necessary steps to levy the special tax authorized by Proposition B and to issue bonds in one or more series in an aggregate amount not to exceed $70,000,000 as specified in Proposition A as set forth in Exhibit A hereto.

SECTION 3. The Executive Officer-Clerk of the Board of Supervisors is hereby directed to record in the Office of the County Recorder within fifteen days of the date hereof a notice of special tax lien with respect to Improvement Area No. 1, in the form required by Streets and Highways Code Section 3114.5, a form of which is attached hereto as Exhibit C. The Executive Officer-Clerk of the Board of Supervisors and other appropriate officers of the County are authorized to make all necessary revisions, additions and deletions to the form of notice of special tax lien attached hereto as necessary to finalize such notice for recordation.

SECTION 4. This Resolution shall be effective upon its adoption.

The foregoing resolution was adopted on the 9TH day of MARCH, 2021, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

CELIA ZAVALA, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: ______________________________
DEPUTY

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
County Counsel

By: ______________________________
Deputy County Counsel

EXHIBIT A

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
IMPROVEMENT AREA NO. 1

SPECIAL TAX AND SPECIAL BOND ELECTION

March 9, 2021

You are entitled to cast _____ votes.

To vote, stamp a cross (+ or X) in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the Registrar of Voters and obtain another.

PROPOSITION A: Shall County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the "District") incur an indebtedness and issue one or more series of bonds in the maximum aggregate principal amount of $70,000,000 for Improvement Area No. 1 therein (the "Improvement Area"), with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Facilities and the Incidental Expenses described in the resolution of the Board of Supervisors of the County of Los Angeles adopted on March 9, 2021, establishing the District (the "Resolution of Formation")?	YES______ NO_______
PROPOSITION B: Shall a special tax with a rate and method of apportionment for the Improvement Area as provided in the Resolution of Formation be levied to pay for the Facilities, Incidental Expenses and other purposes described in the Resolution of Formation, including the payment of the principal of and interest on bonds issued by the District for the Improvement Area to finance the Facilities and Incidental Expenses?	YES______ NO_______
PROPOSITION C: For each year commencing with Fiscal Year 2020-21, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the District be an amount equal to $100,000,000?	YES______ NO_______

EXHIBIT B

CERTIFICATE OF EXECUTIVE OFFICER – CLERK OF THE BOARD OF SUPERVISORS AS TO THE RESULTS OF THE CANVASS OF THE ELECTIONS RETURNS

CERTIFICATE OF EXECUTIVE-OFFICER CLERK
OF THE BOARD OF SUPERVISORS
AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Celia Zavala, Executive Officer-Clerk of the Board of Supervisors for the County of Los Angeles, do hereby certify that I have examined the returns of the Special Tax and Special Bond Election for County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the "District") and Improvement Area No. 1 therein ("Improvement Area No. 1"). The election was held in the hearing room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, on March 9, 2021 in accordance with a resolution establishing the District and Improvement Area No. 1 and a resolution determining the necessity to incur debt within the District and Improvement Area No. 1, each adopted by the Board of Supervisors of the County of Los Angeles on March 9, 2021 (the "Resolutions"), and the undersigned has received copies of the Resolutions as required by Government Code Section 53326(a). I personally issued a ballot in the form required by the Resolutions to the authorized representative of each qualified elector. Seven (7) ballots were returned.

I further certify that the results of said election and the number of votes cast for and against each measure are as follows:

Proposition A	YES:	147
	NO:	0
Proposition B	YES:	147
	NO:	0
Proposition C	YES:	147
	NO:	0

TOTAL NUMBER OF VOTES CAST: 147

Dated this 9th day of March, 2021

CELIA ZAVALA Deputy
Executive Officer-Clerk of the Board
of Supervisors
County of Los Angeles

EXHIBIT C

FORM OF NOTICE OF SPECIAL TAX LIEN

Recording Requested By and When Recorded Mail To:

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attn: Brian P. Forbath, Esq.

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

NOTICE OF SPECIAL TAX LIEN
FOR COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
IMPROVEMENT AREA NO. 1

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the undersigned Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles, as the legislative body of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the "District"), State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the County of Los Angeles, State of California, sitting as the legislative body of the District (the "Board") on Improvement Area No. 1 of the District ("Improvement Area No. 1").

The special tax secured by this lien is authorized to be levied for the purpose of: (i) paying for the cost of the acquisition, construction, and improvement of facilities permitted under the Mello-Roos Community Facilities Act of 1982 and that are required as conditions of development of the property within the District, and any property annexed to the District (the "Facilities"), including, but not limited to the following improvements to be owned and operated by the County of Los Angeles (the "County"), the Newhall Ranch Sanitation District of Los Angeles County, the Santa Clarity Valley Water Agency, or the Los Angeles County Flood Control District: (A) road improvements (including but not limited to Magic Mountain Parkway, Commerce Center Drive, Westridge Parkway, Long Canyon Road, Valencia Boulevard, Legacy Village Road, Potrero Valley Road, Homestead South Road, Landmark Road, Chiquito Valley Road, The Old Road, Henry Mayo Drive, and Wolcott); (B) sewer improvements, water improvements, storm drain improvements, utility improvements, median/parkway landscaping (including, but not limited to, in each case, those included in the rights of way of the road improvements described in (A)); (C) water quality basins; (D) bridge improvements; (E) improvements to State Route 126; (F) interchanges, bridges, and pedestrian bridges; (G) public parks; (H) libraries; (I) fire stations; (J), potable and recycled water distribution facilities; (K) wastewater reclamation plant (including site acquisition, site development and facility improvements); (L) utility corridors; and (M) trails and landscaping, (ii) to finance the incidental expenses to be incurred in connection with financing the Facilities (the "Incidental Expenses"), including the costs associated with the creation of the District, issuance of bonds, determination of the amount of special taxes, collection of special taxes, payment of special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the District and (iii) paying for the principal and interest and other periodic costs on the bonds to be issued to finance the

Facilities and Incidental Expenses. The Facilities may be located within or outside the boundaries of the District and any property annexed to the District. The Facilities to be financed shall include all hard and soft costs associated with the Facilities, including the costs of the acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils testing, permits, plan check, and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

The special tax is authorized to be levied within Improvement Area No. 1 of the District, which District has now been officially formed and Improvement Area No. 1 has been officially designated therein, and the lien of the special tax is a continuing lien that shall secure each annual levy of the special tax and that shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment and manner of collection of the authorized special tax is as set forth in Appendix A attached hereto and incorporated herein by this reference. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax cancelled are as follows: Parcels within Improvement Area No. 1 may prepay the special tax obligation in whole or in part as set forth in Section G of Appendix A attached hereto.

Notice is further given that upon the recording of this notice in the office of the County Recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within Improvement Area No. 1 in accordance with Section 3115.5 of the Streets and Highway Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within Improvement Area No. 1 and not exempt from the special tax are as set forth in Appendix B attached hereto and incorporated herein by this reference.

Reference is made to the boundary map of the District recorded at Book No. 195 of Maps of Assessment and Community Facilities Districts at Page Nos. 80-83, in the office of the County Recorder for the County of Los Angeles, State of California, which map is now the final boundary map of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Executive Officer-Clerk of the Board of Supervisors, County of Los Angeles, 500 West Temple Street, Suite 383, Los Angeles, California 90012, telephone number (213) 974-1411.

Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles, acting in its capacity as the legislative body of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities)

ATTEST: CELIA ZAVALA
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By____________________________, Deputy

APPENDIX A

RATE AND METHOD OF APPORTIONMENT FOR COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) (IMPROVEMENT AREA NO. 1)

APPENDIX B

Landowner	*Assessor's Parcel Number*

RESOLUTION OF THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY, CALIFORNIA ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-02 (VALENCIA-SERVICES) CERTIFYING THE RESULTS OF ELECTIONS HELD WITHIN THE DISTRICT

WHEREAS, the Board of Supervisors called and duly held an election on March 9, 2021 within the boundaries of County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services) ("Community Facilities District No. 2021-02" or the "District") pursuant to a resolution establishing the District adopted by the Board of Supervisors on March 9, 2021 for the purpose of presenting to the qualified electors within the District, Propositions A and B, attached hereto as Exhibit A; and

WHEREAS, there has been presented to this Board of Supervisors a certificate of the Executive Officer-Clerk of the Board of Supervisors canvassing the results of the election within the District, a copy of which is attached hereto as Exhibit B;

NOW, THEREFORE, the Board of Supervisors of the County of Los Angeles acting in its capacity as the legislative body of County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services) HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

SECTION 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

SECTION 2. Propositions A and B presented to the qualified electors of the District on March 9, 2021, as set forth in Exhibit A hereto, were approved by more than two-thirds of the votes cast at said election and each of Propositions A and B has carried. The Board of Supervisors, acting as the legislative body of the District, is hereby authorized to levy on the land within the District the special tax described in Proposition A as set forth in Exhibit A hereto for the purposes described therein.

SECTION 3. The Executive Officer-Clerk of the Board of Supervisors is hereby directed to record in the Office of the County Recorder within fifteen days of the date hereof a notice of special tax lien with respect to the District, in the form required by Streets and Highways Code Section 3114.5, a form of which is attached hereto as Exhibit C. The Executive Officer-Clerk of the Board of Supervisors and other appropriate officers of the County are authorized to make all necessary revisions, additions and deletions to the form of notice of special tax lien attached hereto as necessary to finalize such notice for recordation.

SECTION 4. This Resolution shall be effective upon its adoption.

The foregoing resolution was adopted on the 9TH day of MARCH, 2021, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

CELIA ZAVALA, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: ______________________________
DEPUTY

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
County Counsel

By: ______________________________
Deputy County Counsel

EXHIBIT A

COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA-SERVICES)

SPECIAL TAX ELECTION

March 9, 2021

You are entitled to cast _____ votes.

To vote, stamp a cross (+ or X) in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the Registrar of Voters and obtain another.

PROPOSITION A: Shall a special tax with a rate and method of apportionment for County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services) (the "District") as provided in the resolution of the Board of Supervisors of the County of Los Angeles, adopted on March 9, 2021, establishing the District (the "Resolution of Formation") be levied to pay for the Services, Incidental Expenses and other purposes described in the Resolution of Formation?	YES______ NO_______
PROPOSITION B: For each year commencing with Fiscal Year 2020-21, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the District be an amount equal to $200,000,000?	YES______ NO_______

EXHIBIT B

CERTIFICATE OF EXECUTIVE OFFICER – CLERK OF THE BOARD OF SUPERVISORS AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS

CERTIFICATE OF EXECUTIVE-OFFICER CLERK
OF THE BOARD OF SUPERVISORS
AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Celia Zavala, Executive Officer-Clerk of the Board of Supervisors for the County of Los Angeles, do hereby certify that I have examined the returns of the Special Tax Election for County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services). The election was held in the hearing room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, on March 9, 2021 in accordance with the resolution establishing the District adopted by the Board of Supervisors of the County of Los Angeles on March 9, 2021 (the "Resolution"), and the undersigned has received a copy of the Resolution as required by Government Code Section 53326(a). I personally issued a ballot in the form required by the Resolution to the authorized representative of each qualified elector. Seven (7) ballots were returned.

I further certify that the results of said election and the number of votes cast for and against each measure are as follows:

Proposition A	YES:	848
	NO:	0
Proposition B	YES:	848
	NO:	0

TOTAL NUMBER OF VOTES CAST: 848

Dated this 9th day of March, 2021

CELIA ZAVALA Deputy
Executive Officer-Clerk of the Board
of Supervisors
County of Los Angeles

EXHIBIT C

FORM OF NOTICE OF SPECIAL TAX LIEN

Recording Requested By and
When Recorded Mail To:

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attn: Brian P. Forbath, Esq.

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

NOTICE OF SPECIAL TAX LIEN
FOR COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA-SERVICES)

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the undersigned Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles, as the legislative body of County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services) (the “District”), State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the County of Los Angeles, State of California, sitting as the legislative body of the District (the “Board”) on the District.

The special tax secured by this lien is authorized to be levied for the purpose of financing all or a portion of the costs of the types of services permitted pursuant to Section 53313 of the Government Code, which shall include, but not be limited to, parkway and median landscaping for streets financed by the District, maintenance of water quality system improvements, maintenance of property of The Newhall Ranch High Country Recreation and Conservation Authority, and public park maintenance, excluding park recreation services/programming (the “Services”), and incidental expenses (the “Incidental Expenses”) to be incurred in connection with financing the Services and forming and administering the District.

The special tax is authorized to be levied within the District, which District has now been officially formed, and the lien is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax is lien canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment and manner of collection of the authorized special tax is as set forth in Appendix A attached hereto and incorporated herein by this reference. The obligation of parcels within the District to pay special taxes may not be prepaid.

Notice is further given that upon the recording of this notice in the office of the County Recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the District in accordance with Section 3115.5 of the Streets and Highway Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the District and not exempt from the special tax are as set forth in Appendix B attached hereto and incorporated herein by this reference.

Reference is made to the boundary map of the District recorded at Book No. 195 of Maps of Assessment and Community Facilities Districts at Page Nos. 84-87, in the office of the County Recorder for the County of Los Angeles, State of California, which map is now the final boundary map of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Executive Officer-Clerk of the Board of Supervisors, County of Los Angeles, 500 West Temple Street, Suite 383, Los Angeles, California 90012, telephone number (213) 974-1411.

Celia Zavala

Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles, acting in its capacity as the legislative body of County of Los Angeles Community Facilities District No. 2021-02 (Valencia-Services)

ATTEST: CELIA ZAVALA
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By____________________, Deputy

APPENDIX A

RATE AND METHOD OF APPORTIONMENT FOR
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-02
(VALENCIA-SERVICES)

APPENDIX B

Landowner	*Assessor's Parcel Number*

ANALYSIS

This ordinance authorizes a special tax to be levied on property within County of Los Angeles Community Facilities District No. 2021-01 (Valencia–Facilities) ("District"), Improvement Area No. 1, and any territory annexed to the District in the future as one or more future improvement areas, to finance certain public facilities pursuant to the Mello-Roos Community Facilities Act of 1982. This ordinance also authorizes the Board of Supervisors of the County of Los Angeles ("Board") to determine by subsequent resolution the specific special tax rate to be levied annually.

This special tax rate will be specified in a resolution adopted each year by the Board. The special tax shall be collected in the same manner as ordinary and ad valorem property taxes, and subject to the same penalties, procedure, sale, and lien priority in case of delinquency as provided for ad valorem taxes.

As provided in section 25123(c) of the California Government Code, this ordinance will become effective immediately upon adoption.

RODRIGO A. CASTRO-SILVA
County Counsel

By

DEBBIE Y. CHO
Deputy County Counsel
Government Services Division

DYC:lp

Requested: 1/22/21
Revised: 2/16/21

ORDINANCE NO. _______________

An ordinance authorizing the levy of special taxes within County of Los Angeles Community Facilities District No. 2021-01 (Valencia–Facilities) ("District"), Improvement Area No. 1, and in any territory annexed to the District in the future as one or more future improvement areas, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the Mello-Roos Community Facilities Act of 1982.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Findings. The Board of Supervisors finds that:

A. On January 26, 2021, the Board of Supervisors ("Board") of the County of Los Angeles ("County") adopted: (a) a resolution ("Resolution of Intention") declaring its intention to form the District and Improvement Area No. 1 therein ("Improvement Area No. 1"), and designate territory proposed for annexation to the District in the future ("Future Annexation Area") as one or more future improvement areas ("Future Improvement Areas") pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the Mello-Roos Community Facilities Act of 1982 ("Act"); and (b) a resolution ("Resolution of Intention to Incur Debt") declaring its intention to incur bonded indebtedness in one or more series within the District, and with respect to Improvement Area No. 1, in an aggregate amount of up to $70,000,000.

B. On March 9, 2021, after providing all notice required by the Act, the Board conducted a noticed public hearing required by the Act relative to: (i) the proposed formation of the District, the designation of Improvement Area No. 1, and the designation of the Future Annexation Area; (ii) the proposed levy of a special tax within Improvement Area No. 1 to finance certain public facilities described in the Resolution of Intention and to secure the payment of any bonded indebtedness of the District for Improvement Area No. 1, and the proposed issuance of up to $70,000,000 of bonded indebtedness for Improvement Area No. 1; and (iii) the proposed levy of a special tax in any Future Improvement Area annexed to the District to finance certain public facilities described in the Resolution of Intention, and to secure the payment of any bonded indebtedness of the District for such Future Improvement Area, subject to the receipt of the unanimous consent and approval of the owner or owners of the parcel or parcels at the time of annexation ("Unanimous Consent and Approval") and approval by the Board, acting as the legislative body of the District ("Legislative Body") in accordance with the Act, all as described in the Resolution of Intention.

C. At the March 9, 2021, public hearing, all persons desiring to be heard on all matters pertaining to: (i) the proposed formation of the District, the designation of Improvement Area No. 1, and the designation of the Future Annexation Area; (ii) the proposed levy of a special tax within Improvement Area No. 1 to finance certain public facilities described in the Resolution of Intention, and to secure the payment of any bonded indebtedness of the District for such Future Improvement Area, subject to the receipt of the Unanimous Consent and Approval of the owner or owners of the parcel or parcels at the time of annexation and approved by the Legislative Body, all as described in the Resolution of Intention and in the Resolution of Intention to Incur Debt, were heard, and a full and fair hearing was held.

D. On March 9, 2021, the Board adopted: (i) a resolution which formed the District and designated Improvement Area No. 1 and the Future Annexation Area ("Resolution of Formation"); and (ii) a resolution determining the necessity to incur bonded indebtedness within the District and Improvement Area No. 1 ("Resolution Determining Necessity to Incur Debt"), which resolutions called a special election within Improvement Area No. 1 on March 9, 2021 on three propositions for Improvement Area No. 1 relating to the levy of a special tax within Improvement Area No. 1, the issuance of bonds by the District for Improvement Area No. 1, and the establishment of an appropriations limit within the District.

E. Pursuant to Section 53326(a) of the Act, each of the qualified electors within Improvement Area No. 1 submitted a unanimous written consent waiving the time limits contained in the Act and consenting to holding a special election within Improvement Area No. 1 on March 9, 2021, at which the qualified electors therein approved by more than a two-thirds vote, Propositions A, B, and C as set forth in Attachment "C" to the Resolution of Formation, authorizing the levy of a special tax within Improvement Area No. 1 for the purposes described in the Resolution of Formation, the issuance of bonds for Improvement Area No. 1 as described in the Resolution Determining Necessity to Incur Debt, and establishing an appropriations limit for the District.

F. Section 53340 of the Act requires the adoption of this ordinance in order to levy the special tax within the District for the purposes described in the Resolution of Formation.

SECTION 2. The Board hereby authorizes the levy of a special tax within Improvement Area No. 1 pursuant to Sections 53328 and 53340 of the Act at the rates and in accordance with the rate and method of apportionment set forth in Attachment "A" to the Resolution of Formation, which is incorporated by reference herein (the "Improvement Area No. 1 Rate and Method"). The special taxes are hereby levied within Improvement Area No. 1 in accordance with the Improvement Area No. 1 Rate and Method to commence in the fiscal year determined by an Authorized Officer (as defined below) and in each fiscal year thereafter until the special tax is terminated in accordance with the rate and method of apportionment for Improvement Area No. 1 and payment of all costs of administering the District allocable to Improvement Area No. 1, subject to the limitations in the Improvement Area No. 1 Rate and Method. The Board further authorizes and levies special taxes within any Future Improvement Area pursuant to Sections 53328 and 53340 of the Act at the rates and in accordance with the rate and method of apportionment to be approved by the Unanimous Consent and Approval of the owners of the property within such Future Improvement Area and the Legislative Body. The special taxes within any Future Improvement Area shall be levied in accordance with the rate and method of apportionment for such Future Improvement Area as approved by the Unanimous Consent and Approval and by the Legislative Body, in each fiscal year until the special tax is terminated in accordance with the rate and method of apportionment for, and payment of all costs of administering the District allocable to such Future Improvement Area, subject to the limitations in the rate and method of apportionment of special tax for such Future Improvement Area.

SECTION 3. Each of the County Treasurer and Tax Collector (the "Treasurer"), or any other person or persons designated by the Treasurer (collectively, "Authorized Officers"), is hereby authorized and directed each fiscal year to determine the specific special tax rates and amounts to be levied in such fiscal year on each parcel of real property within Improvement Area No. 1, in the manner and as provided in the Improvement Area No. 1 Rate and Method, and within any Future Improvement Area in the manner and as provided in the rate and method of apportionment of special tax for such Future Improvement Area. The special tax rate levied on a parcel pursuant to the Improvement Area No. 1 Rate and Method with respect to Improvement Area No. 1, and pursuant to a rate and method of special tax for any Future Improvement Area, shall not exceed the maximum rates set forth therein for such parcel, but the special tax may be levied at a lower rate. Each Authorized Officer is hereby authorized and directed to provide all necessary information to the County Auditor-Controller and the Treasurer, and to otherwise take all actions necessary in order to effect proper billing and collection of the special tax within Improvement Area No. 1 and any Future Improvement Area, so that the special tax shall be levied and collected in sufficient amounts and at times necessary to satisfy the financial obligations of the District for Improvement Area No. 1, and any Future Improvement Area in each fiscal year until the special tax is terminated in accordance with the rate and method of apportionment for Improvement Area No. 1

or such Future Improvement Area, as the case may be, and provision has been made for payment of all of the administrative costs of the District.

SECTION 4. Properties or entities of the State, federal, or other local governments shall be exempt from the special tax for Improvement Area No. 1, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act and Section E of the Improvement Area No. 1 Rate and Method. No other properties or entities within Improvement Area No. 1 are exempt from the special tax unless the properties or entities are expressly exempted in the Resolution of Formation, or in a resolution of consideration to levy a new special tax or special taxes, or to alter the Improvement Area No. 1 Rate and Method, or an existing special tax as provided in Section 53334 of the Act. The properties exempt from the special tax levy with respect to any Future Improvement Area shall be those set forth in the rate and method of apportionment of special tax for such Future Improvement Area as approved by the Unanimous Consent and Approval and by the Legislative Body.

SECTION 5. All of the collections of the special tax within Improvement Area No. 1 shall be used as provided for in the Act, the Improvement Area No. 1 Rate and Method, and the Resolution of Formation. All of the collections of the special tax within any Future Improvement Area shall be used as provided for in the Act, the rate and method of apportionment of special tax for such Future Improvement Area, and the Resolution of Formation.

SECTION 6. The special tax within Improvement Area No. 1 and in any Future Improvement Area shall be collected in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for ad valorem taxes (which procedures include the exercise of all rights and remedies permitted by law to make corrections, including, but not limited to, the issuance of amended or supplemental tax bills), as such procedures may be modified by law or by the Board from time to time.

SECTION 7. As a cumulative remedy, if any amount levied as a special tax for payment of the interest or principal of the bonds issued by the District for Improvement Area No. 1 and any Future Improvement Area (including any refunding bonds), together with any penalties and other charges accruing under this ordinance, are not paid when due, the Board may, not later than four (4) years after the due date of the last installment of principal on such bonds (including any refunding bonds), order that the same be collected by an action brought in the superior court to foreclose the lien of such special tax within Improvement Area No. 1, or any Future Improvement Area, as authorized by the Act.

SECTION 8. This ordinance relating to the levy of the special tax shall take effect immediately upon its passage in accordance with section 25123(c) of the California Government Code, and the specific authorization for adoption is pursuant to the provisions of Section 53340 of the Act.

SECTION 9. This ordinance shall be published before the expiration of fifteen (15) days after its passage and adoption pursuant to Government Code section 25124.

ANALYSIS

This ordinance authorizes a special tax to be levied on property within County of Los Angeles Community Facilities District No. 2021-02 (Valencia–Services) ("District"), and any property within the future annexation area annexed to the District, to finance certain public services pursuant to the Mello-Roos Community Facilities Act of 1982. This ordinance also authorizes the Board of Supervisors of the County of Los Angeles ("Board") to determine by subsequent resolution the specific special tax rate to be levied annually.

This special tax rate will be specified in a resolution adopted each year by the Board. The special tax shall be collected in the same manner as ordinary and ad valorem property taxes, and subject to the same penalties, procedure, sale, and lien priority in case of delinquency as provided for ad valorem taxes.

As provided in section 25123(c) of the California Government Code, this ordinance will become effective immediately upon adoption.

RODRIGO A. CASTRO-SILVA
County Counsel

By

DEBBIE Y. CHO
Deputy County Counsel
Government Services Division

DYC:lp

Requested: 1/22/21
Revised: 2/16/21

ORDINANCE NO. _______________

An ordinance authorizing the levy of special taxes within County of Los Angeles Community Facilities District No. 2021-02 (Valencia–Services) ("District"), and any property within the future annexation area annexed to the District, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the Mello-Roos Community Facilities Act of 1982.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Findings. The Board of Supervisors finds that:

A. On January 26, 2021, the Board of Supervisors ("Board") of the County of Los Angeles ("County") adopted a resolution ("Resolution of Intention") declaring its intention to form the District, and designate territory proposed for annexation to the District in the future ("Future Annexation Area"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the Mello-Roos Community Facilities Act of 1982 ("Act").

B. On March 9, 2021, after providing all notice required by the Act, the Board conducted a noticed public hearing required by the Act relative to the proposed formation of the District, the designation of the Future Annexation Area, and the proposed levy of a special tax within Zone 1 of the District to finance certain public services ("Services") described in the Resolution of Intention.

C. At the March 9, 2021, public hearing, all persons desiring to be heard on all matters pertaining to: (i) the proposed formation of the District, the designation of the

Future Annexation Area; and (ii) the proposed levy of a special tax within the District to finance the Services, were heard and a full and fair hearing was held.

D. On March 9, 2021, the Board adopted a resolution ("Resolution of Formation") which formed the District, designated the Future Annexation Area and called a special election within the District on March 9, 2021 on two propositions for the District relating to the levy of a special tax within the District and the establishment of an appropriations limit within the District.

E. Pursuant to Section 53326(a) of the Act, each of the qualified electors within the District submitted a unanimous written consent waiving the time limits contained in the Act and consenting to holding a special election within the District on March 9, 2021, at which the qualified electors therein approved by more than a two-thirds vote, Propositions A and B as set forth in Attachment "C" to the Resolution of Formation, authorizing the levy of a special tax within the District for the purposes described in the Resolution of Formation and establishing an appropriations limit for the District.

F. Section 53340 of the Act requires the adoption of this ordinance in order to levy the special tax within the District for the purposes described in the Resolution of Formation.

SECTION 2. The Board hereby authorizes the levy of a special tax within the District and any property within the Future Annexation Area annexed to the District with the unanimous consent and approval ("Unanimous Consent and Approval") of the owner or owners of the parcel or parcels and approval by the Board, acting as the legislative body of the District ("Legislative Body") at the time of annexation in accordance with the Act. The special taxes shall be levied pursuant to Sections 53328 and 53340 of the Act. The special taxes shall be levied on the property within Zone 1 of the District at the time of formation thereof, at the rates and in accordance with the rate and method of apportionment ("Rate and Method") set forth in Attachment "A" to the Resolution of Formation, which is incorporated herein by reference. The special taxes shall be levied on any property within the Future Annexation Area that is annexed to the District in the manner set forth in the Rate and Method and at the rates to be set forth in the Unanimous Consent and Approval at the time of annexation and approved by the Legislative Body. The special taxes are hereby levied within the District each fiscal year so long as is required to pay for the Services.

SECTION 3. Each of the County Treasurer and Tax Collector (the "Treasurer"), or any other person or persons designated by the Treasurer (collectively, "Authorized Officers"), is hereby authorized and directed each fiscal year to determine the specific special tax rates and amounts to be levied in such fiscal year on each parcel of real property within Zone 1 of the District at the time of formation, in the manner and as provided in the Rate and Method. The special tax rate levied on a parcel, pursuant to the Rate and Method, shall not exceed the maximum rate set forth in the Rate and Method for such parcel, but the special tax may be levied at a lower rate. Each Authorized Officer is hereby authorized and directed to determine the specific special tax rates and amounts to be levied in each fiscal year on each parcel of real property within the Future Annexation Area that is annexed to the District as a new Tax Zone, in the manner as provided in the Rate and Method and at such rates as are approved by the Unanimous Consent and Approval at the time of annexation and approved by the Legislative Body. Pursuant to Section 53339.3(d) of the Act, the special tax rates to pay for the Services to be supplied within any territory annexed to the District in the future may be higher or lower than the special tax rates in the District at the time of such annexation to the extent that the actual cost of providing the Services in the territory to be annexed is higher or lower than the cost of providing those Services in the District at the time of such annexation. Each Authorized Officer is hereby authorized and directed to provide all necessary information to the County Auditor-Controller and the Treasurer, and to otherwise take all actions necessary in order to effect proper billing and collection of the special tax within the District, so that the special tax shall be levied and collected in sufficient amounts and at times necessary to satisfy the financial obligations of the District in each fiscal year until a determination by the Board, acting as the Legislative Body of the District, that the special tax shall no longer be levied to pay for the Services.

SECTION 4. Properties or entities of the State, federal, or other local governments shall be exempt from the special tax for the District, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act and Section G of the Rate and Method. No other properties or entities within the District are exempt from the special tax unless the properties or entities are expressly exempted in the Resolution of Formation, or in a resolution of consideration to levy a new special tax or special taxes, or to alter the Rate and Method of an existing special tax as provided in Section 53334 of the Act.

SECTION 5. All of the collections of the special tax within the District shall be used as provided for in the Act, the Rate and Method, and the Resolution of Formation.

SECTION 6. The special tax within the District shall be collected in the same manner as ordinary ad valorem property taxes are collected, and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency, as is provided for ad valorem taxes (which procedures include the exercise of all rights and remedies permitted by law to make corrections, including, but not limited to, the issuance of amended or supplemental tax bills), as such procedures may be modified by law or by the Board from time to time.

SECTION 7. This ordinance relating to the levy of the special tax shall take effect immediately upon its passage in accordance with section 25123(c) of the California Government Code, and the specific authorization for adoption is pursuant to the provisions of Section 53340 of the Act.

SECTION 8. This ordinance shall be published before the expiration of fifteen (15) days after its passage and adoption pursuant to Government Code section 25124.

[VALSERDCCC]