



KEITH KNOX

TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

Kenneth Hahn Hall of Administration
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Board of Supervisors

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

34 October 17, 2023

CELIA ZAVALA
EXECUTIVE OFFICER

October 17, 2023

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:

ANNEXATION OF PROPERTY AS IMPROVEMENT AREA NO. 3 OF COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) (FIFTH DISTRICT) (3 VOTES)

SUBJECT

On March 9, 2021, the County of Los Angeles established County of Los Angeles Community Facilities District No. 2021-01 (Valencia – Facilities) (the “Facilities CFD”) in order to finance facilities and improvements in the Valencia area, which is located in the western Santa Clarita Valley, west of Interstate-5 and south of State Route 126. The formation proceedings designated Improvement Area No. 1 within the Facilities CFD and designated certain property which may be annexed to the Facilities CFD in the future as additional improvement areas (“Future Improvement Areas”) subject to the receipt of the unanimous consent and approval of the owners of the property to be annexed (“Unanimous Consent and Approval”) and approval by the Board of Supervisors acting as the legislative body of the Facilities CFD. On April 5, 2022, the Board adopted a resolution accepting the Unanimous Consents and Approvals of owners of property within the area proposed to be annexed as Improvement Area No. 2 to the Facilities CFD, authorizing the levy of a special tax and the incurring of bonded indebtedness therein. At this time, the Unanimous Consents and Approvals of owners of property within the area proposed to be annexed as Improvement Area No. 3 of the Facilities CFD (“Improvement Area No. 3”) have been submitted to the Board for acceptance.

IT IS RECOMMENDED THAT THE BOARD:

IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE LEGISLATIVE BODY OF THE COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES):

1. Find that the proposed action is not a project under the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and the record. Alternatively, for that portion of the proposed action that relates to the Mission Village Project, Project No. 04-181, acting as a responsible agency, consider the Recirculated Environmental Impact Report prepared and certified by the County as lead agency for the project; certify that the Board has independently reviewed and considered the information contained in the Recirculated Environmental Impact Report and reached its own conclusions regarding the environmental effects of the Facilities CFD's approvals related to the project as shown in the Recirculated Environmental Report; adopt the mitigation monitoring and reporting program as applicable, finding that the mitigation monitoring and reporting program is adequately designed to ensure compliance with the mitigation measures during project implementation; and determine that the significant adverse effects of the project have either been reduced to an acceptable level or are outweighed by the specific considerations of the project, as outlined in the Environmental Findings of Fact and Statement of Overriding Considerations, which findings and statement are adopted and incorporated herein by reference as applicable.

2. Adopt the Resolution (the "Resolution") accepting the Unanimous Consents and Approvals of owners of property within the area proposed to be annexed as Improvement Area No. 3 of the Facilities CFD, authorizing the levy of a special tax and the incurring of bonded indebtedness therein, and directing the Executive Officer-Clerk of the Board to sign and record the annexation map of Improvement Area No. 3 and to record a notice of special tax lien with respect thereto within 15 days.

3. Authorize and direct the Chair to execute the first amendment ("Amendment") to the Acquisition, Funding and Disclosure Agreement dated as of June 1, 2022, ("Acquisition Agreement") to modify Exhibit B – List of Facilities Bid Prior to Date of Acquisition Agreement.

IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF THE COUNTY OF LOS ANGELES:

1. Find that the proposed action is not a project under the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and the record. Alternatively, for that portion of the proposed actions that provide funding for the Mission Village Project, Project No. 04-181, which was approved by your Board on July 18, 2017, determine that the recommended action is within the scope of the Mission Village Project impacts analyzed in a Recirculated Environmental Impact Report previously certified by your Board.

2. Authorize and direct the Chair to execute the Amendment to the Acquisition Agreement to modify Exhibit B – List of Facilities Bid Prior to Date of Acquisition Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the above recommendations will accept the Unanimous Consents and Approvals submitted by the Owners (as defined below) to (1) annex the property described in Exhibit B to the Resolution as Improvement Area No. 3 of the Facilities CFD, (2) authorize the levy of a special tax on the property annexed in accordance with the Rate and Method of Apportionment for Improvement Area No. 3 attached as Exhibit A to the Resolution, and (3) authorize the incurrence of bonded indebtedness for Improvement Area No. 3 in an aggregate principal amount not to exceed \$50 million. The purpose of annexing Improvement Area No. 3 is to finance facilities and improvements of the type authorized to be financed by the Facilities CFD at the time it was established, including

park and recreation facilities, road/bridge improvements, median/parkway landscaping, storm drains, sewer improvements, water improvements, and water quality basins.

The Newhall Land and Farming Company, a California limited partnership (“Newhall Land and Farming Company”); Toll West Coast LLC, a Delaware limited liability company; and Richmond American Homes of Maryland, Inc., a Maryland corporation (collectively, the “Owners”) own the property proposed to be annexed as Improvement Area No. 3 of the Facilities CFD. Each of the Owners has submitted to the County a Unanimous Consent and Approval with respect to the property that each owns within Improvement Area No. 3.

The property to be annexed as Improvement Area No. 3 of the Facilities CFD is within a long-term master planned community in the Valencia area that will require implementation of significant public infrastructure and facilities (the “Valencia Project”). The Valencia Project implements the Newhall Ranch Specific Plan adopted by the Board on May 27, 2003. 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. It is anticipated that additional property will be annexed to the Facilities CFD as Future Improvement Areas as the Valencia Project is built out.

Mission Village is one of five villages in the Newhall Ranch Specific Plan. 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.

On June 14, 2022, your Board approved the Acquisition Agreement which set forth the terms and conditions for acquisition of facilities to be owned by the County. Approval of the Amendment to the Acquisition Agreement will authorize a modification to Exhibit B – List of Facilities Bid Prior to Date of Acquisition Agreement - to delete facilities that are undergoing a rebid and to add facilities that were not timely identified for inclusion. The Amendment will not modify facilities eligible for financing under the Acquisition Agreement, but rather will identify the facilities that were bid prior to the effective date of the Acquisition Agreement.

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 any bonds issued for Improvement Area No. 3 will be paid from the special

tax levy on the parcels in Improvement Area No. 3. Newhall Land and Farming Company has previously advanced funds to the County to pay for costs associated with the annexation of Improvement Area No. 3, and such costs will be reimbursed if and when bonds are issued by the Facilities CFD for Improvement Area No. 3.

Similar to the existing CFDs within the County, each year the Board will approve the special tax levy for Improvement Area No. 3 of the Facilities CFD in an amount sufficient to provide for the debt service on any bonds issued for Improvement Area No. 3, to pay for administrative expenses, and for a limited period of time, to pay directly for the costs of acquiring facilities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Mello-Roos Community Facilities Act of 1982, as amended (the “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 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.

Section 53350 of the Act provides that any parcel of property that was included in territory proposed for future annexation, as to which there was no majority protest, can complete annexation through the unanimous consent and approval of its owners without further public hearings or election. As permitted under the Act, the proceedings establishing the Facilities CFD provided that property may be annexed to the Facilities CFD as additional improvement areas upon the unanimous consent and approval of the owners of the property to be annexed. The unanimous consent and approval of landowners is sufficient as long as there are fewer than 12 registered voters residing within the boundaries of the proposed area to be annexed for the 90 days preceding the adoption of the Resolution. The Los Angeles County Office of the Registrar-Recorder/County Clerk (RR/CC) has confirmed that there are no registered voters residing within the boundaries of the property proposed to be annexed as Improvement Area No. 3.

As required by Section 3110.5 of the Streets and Highways Code for annexation proceedings in connection with a CFD, the Executive Officer-Clerk of the Board shall sign and record the annexation map of Improvement Area No. 3 with the RR/CC within 15 days of the Board’s adoption of the Resolution.

Pursuant to Streets and Highways Code section 31114.5, the Executive Officer-Clerk of the Board shall record a notice of special tax lien with respect to Improvement Area No. 3 with the RR/CC within 15 days of the Board’s adoption of the Resolution.

ENVIRONMENTAL DOCUMENTATION

For both the County and the Facilities CFD, 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 15378(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.

Alternatively, as to the County and for the Facilities CFD (as a responsible agency), your Board

approved the Environmental Impact Report (EIR) for the Mission Village Project, Project No. 04-181, on October 25, 2011, and the impacts were analyzed in a Recirculated Environmental Impact Report previously certified by your Board on July 18, 2017. There have been no changes to the project or to the circumstances under which the project is undertaken that would require further review under CEQA.

Upon your Board's approval of the proposed actions, the Department of Regional Planning will file a Notice of Determination on behalf of the County and the Facilities CFD with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None. The levy of a special tax within Improvement Area No. 3 will pay the costs of providing certain public facilities and improvements. The County previously 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. 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.

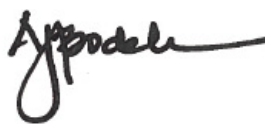
CONCLUSION

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

Respectfully submitted,



KEITH KNOX
Treasurer and Tax Collector



Amy J. Bodek, AICP
Director

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

**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), ACCEPTING UNANIMOUS
CONSENTS AND APPROVALS OF PROPERTY OWNERS TO
ANNEX CERTAIN PROPERTY AS IMPROVEMENT AREA
NO. 3 OF COUNTY OF LOS ANGELES COMMUNITY
FACILITIES DISTRICT NO. 2021-01 (VALENCIA-
FACILITIES) AND APPROVING A FIRST AMENDMENT TO
ACQUISITION, FUNDING AND DISCLOSURE AGREEMENT**

WHEREAS, on January 26, 2021, the Board of Supervisors (“Board of Supervisors”) of the County of Los Angeles (“County”) adopted (a) a resolution (“Resolution of Intention”) declaring its intention to form County of Los Angeles Community Facilities District No. 2021-01 (Valencia–Facilities) (the “District”) and designate 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 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 (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 Improvement Area No. 1 therein and Future Improvement Areas, pursuant to the Act; and

WHEREAS, on March 9, 2021, after providing all notice required by the Act, the Board of Supervisors 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 authorized 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 authorized 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 of Supervisors, acting as the legislative body of the District (“Legislative Body”) in accordance with the Act; and

WHEREAS, on March 9, 2021, following the close of the public hearing, the Board of Supervisors 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 therein and Future Improvement Areas (“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; and

WHEREAS, on March 9, 2021, a special election was held within Improvement Area No. 1 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; and

WHEREAS, on March 23, 2021, the Board of Supervisors adopted Ordinance No. 2021-0015 (the "Ordinance") authorizing the levy of a special tax within Improvement Area No. 1 in accordance with the rate and method of apportionment of special tax for Improvement Area No. 1 and a special tax within each Future Improvement Area in accordance with the rate and method of apportionment approved in the Unanimous Consent and Approval executed and delivered by the owner or owners of each parcel or parcels at the time such parcel or parcels are annexed; and

WHEREAS, pursuant to Section 53350(b) of the Act, the Resolution of Intention to Incur Debt and the Resolution Determining Necessity to Incur Debt, 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 submitted for annexation and shall be approved by the Legislative Body; and

WHEREAS, on April 5, 2022, the Board of Supervisors adopted a resolution accepting the Unanimous Consents and Approvals of property owners to annex certain property as Improvement Area No. 2 of the District, authorizing the levy of a special tax and the incurring of bonded indebtedness therein pursuant to the procedures described above and the provisions of the Act; and

WHEREAS, several property owners (individually, an "Owner" and, collectively, the "Owners") own the property located within the Future Annexation Area which is described and depicted in Attachment A hereto (the "Property"), which the Owners have requested be annexed as Improvement Area No. 3 of the District ("Improvement Area No. 3"); and

WHEREAS, each of the Owners has executed and delivered to the District a Unanimous Consent and Approval requesting and approving the annexation of each Owner's respective property to Improvement Area No. 3 in accordance with the Act, the Resolution of Intention and the Resolution of Formation (the "Improvement Area No. 3 Unanimous Consents and Approvals"); and

WHEREAS, the Improvement Area No. 3 Unanimous Consents and Approvals request and approve the levy of a special tax in accordance with the rate and method of apportionment of special tax for Improvement Area No. 3 attached thereto as Exhibit B and attached hereto as Exhibit A (the "Improvement Area No. 3 Rate and Method"); and

WHEREAS, the Improvement Area No. 3 Unanimous Consents and Approvals request and approve the incurring of bonded indebtedness in one or more series by the District for Improvement Area No. 3 in an aggregate principal amount not-to-exceed \$50,000,000 to finance the authorized facilities and related costs set forth in the Resolution of Formation; and

WHEREAS, the County, the District and The Newhall Land and Farming Company (A California Limited Partnership), a California limited partnership (the "Developer") have entered into the Acquisition, Funding and Disclosure Agreement dated as of June 1, 2022 (the "Acquisition

Agreement”) relating to, among other matters, the financing of certain facilities by the District in connection with the development of the property therein;

WHEREAS, the County, the District and the Developer desire to amend the Acquisition Agreement to replace Exhibit B thereto with the form labeled Exhibit B.1 that is attached to the First Amendment to Acquisition, Funding and Disclosure Agreement (the “First Amendment”) presented at this meeting.

NOW, THEREFORE, the Board of Supervisors of the County 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:

1. Each of the above recitals is true and correct.
2. The boundaries of the District and the Future Annexation Area are 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 Section 3111 of the California Streets and Highways Code in the County of Los Angeles Book of Maps of Assessment and Community Facilities Districts in the Office of the County Registrar-Recorder/County Clerk in Book No. 195, Page Nos. 80-83 as Instrument No. 2021-10197579, on February 4, 2021. The Property to be annexed as Improvement Area No. 3 of the District has the legal boundaries described in, and the boundaries shown on, the annexation map attached as Exhibit B hereto. Pursuant to Section 3110.5 of the California Streets and Highways Code, the Executive Officer-Clerk of the Board of Supervisors is hereby directed to sign the original annexation map of the Property to be annexed as Improvement Area No. 3 and record it within 15 days of the date hereof with all proper endorsements thereon with the Office of the County Registrar-Recorder/County Clerk.
3. The Board of Supervisors, as the Legislative Body of the District, hereby finds that the Improvement Area No. 3 Unanimous Consents and Approvals executed and delivered by the Owners satisfy the requirements under Sections 53329.6 and 53339 et seq. and 53350 of the Act. The Board of Supervisors, acting as the Legislative Body of the District, hereby accepts the Improvement Area No. 3 Unanimous Consents and Approvals executed and delivered by the Owners. The Legislative Body hereby determines that the Property is annexed to and added to the District as Improvement Area No. 3 with full legal effect.
4. The Board of Supervisors, as the Legislative Body of the District, is hereby authorized to levy on the land within Improvement Area No. 3 the special tax in each fiscal year in accordance with the Improvement Area No. 3 Rate and Method and the Ordinance for the purposes described in the Resolution of Formation, and to incur bonded indebtedness for Improvement Area No. 3 in one or more series in an aggregate principal amount not to exceed \$50,000,000, in accordance with the Resolution of Intention to Incur Debt, the Resolution Determining Necessity to Incur Debt and the Improvement Area No. 3 Unanimous Consents and Approvals.
5. The Executive Officer-Clerk of the Board of Supervisors is hereby directed to record in the Office of the County Registrar-Recorder/County Clerk within 15 days of the date hereof a notice of special tax lien with respect to Improvement Area No. 3, 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.

6. This Board of Supervisors hereby approves of the First Amendment substantially in the form presented at this meeting, and the Chair of the Board of Supervisors, and its designees, are authorized and directed to execute the First Amendment in substantially the form presented at this meeting, 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.

7. This Resolution shall be effective upon its adoption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

The foregoing resolution was adopted on the 17th day of October, 2023, 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: La Chelle Smitherman
DEPUTY

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: [Signature]
Senior Deputy County Counsel

EXHIBIT A

IMPROVEMENT AREA NO. 3 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. 3

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 3 ("IA No. 3") of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) ("CFD No. 2021-01 (IA No. 3)") and collected each Fiscal Year commencing in Fiscal Year 2023-2024, 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. 3), 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. 3): 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. 3) or any designee thereof of complying with arbitrage rebate requirements; the costs to the County, CFD No. 2021-01 (IA No. 3) or any designee thereof of complying with County, CFD No. 2021-1 (IA No. 3), 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. 3), 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. 3) for any other administrative purposes of CFD No. 2021-01 (IA No. 3), 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. 3).

"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. 3) under the Act.

"Boundary Map" means a recorded map which indicates the boundaries of CFD No. 2021-01 (IA No. 3).

"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 No. 2021-01 (IA No. 3)" means Improvement Area No. 3 of the County of Los Angeles Community Facilities District No. 2021-01 (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. 3" or "IA No. 3" means Improvement Area No. 3 of the County of Los Angeles Community Facilities District No. 2021-01 (Valencia- Facilities).

"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. 3).

"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 or applicable to CFD No. 2021-01 (IA No. 3).

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2021-01 (IA No. 3) 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. 3) 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) Improvement Area No. 3.

"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. 3) 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. 3) 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 2023-2024, 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 2023-2024 Assigned Special Tax applicable to an Assessor's Parcel of Developed Property shall be determined pursuant to Table 1 below.

Table 1: Fiscal Year 2023-2024 Assigned Special Taxes for Developed Property

Land Use Class	Description	Assigned Special Tax
1	DETACHED PROPERTY(>= 4,201 SF)	\$7,172 PER DWELLING UNIT
2	DETACHED PROPERTY (4,001 - 4,200 SF)	\$6,755 PER DWELLING UNIT
3	DETACHED PROPERTY (3,801- 4,000 SF)	\$6,340 PER DWELLING UNIT
4	DETACHED PROPERTY (3,601- 3,800 SF)	\$5,925 PER DWELLING UNIT
5	DETACHED PROPERTY (3,401- 3,600 SF)	\$5,509 PER DWELLING UNIT
6	DETACHED PROPERTY (3,201 - 3,400 SF)	\$5,094 PER DWELLING UNIT
7	DETACHED PROPERTY (3,001 - 3,200 SF)	\$4,679 PER DWELLING UNIT
8	DETACHED PROPERTY (2,801- 3,000 SF)	\$4,263 PER DWELLING UNIT
9	DETACHED PROPERTY (2,601- 2,800 SF)	\$3,847 PER DWELLING UNIT
10	DETACHED PROPERTY (< 2,601SF)	\$3,017 PER DWELLING UNIT
11	CLUSTER PROPERTY (>= 3,101 SF)	\$4,199 PER DWELLING UNIT
12	CLUSTER PROPERTY (2,901- 3,100 SF)	\$3,951 PER DWELLING UNIT
13	CLUSTER PROPERTY (2,701 - 2,900 SF)	\$3,706 PER DWELLING UNIT
14	CLUSTER PROPERTY (2,501 - 2,700 SF)	\$3,567 PER DWELLING UNIT
15	CLUSTER PROPERTY (2,301 - 2,500 SF)	\$3,349 PER DWELLING UNIT
16	CLUSTER PROPERTY (2,101 - 2,300 SF)	\$3,163 PER DWELLING UNIT
17	CLUSTER PROPERTY (1,901- 2,100 SF)	\$2,956 PER DWELLING UNIT
18	CLUSTER PROPERTY (1,701 - 1,900 SF)	\$2,749 PER DWELLING UNIT
19	CLUSTER PROPERTY (1,501 - 1,700 SF)	\$2,542 PER DWELLING UNIT
20	CLUSTER PROPERTY (< 1,501 SF)	\$2,231 PER DWELLING UNIT
21	ATTACHED PROPERTY (>= 2,451 SF)	\$2,976 PER DWELLING UNIT

22	ATTACHED PROPERTY (2,301 - 2,450 SF)	\$2,840 PER DWELLING UNIT
23	ATTACHED PROPERTY (2,151 - 2,300 SF)	\$2,643 PER DWELLING UNIT
24	ATTACHED PROPERTY (2,001 - 2,150 SF)	\$2,456 PER DWELLING UNIT
25	ATTACHED PROPERTY (1,851- 2,000 SF)	\$2,310 PER DWELLING UNIT
26	ATTACHED PROPERTY (1,701-1,850 SF)	\$2,199 PER DWELLING UNIT
27	ATTACHED PROPERTY (1,551-1,700 SF)	\$1,978 PER DWELLING UNIT
28	ATTACHED PROPERTY (1,401-1,550 SF)	\$1,867 PER DWELLING UNIT
29	ATTACHED PROPERTY (1,251 - 1,400 SF)	\$1,645 PER DWELLING UNIT
30	ATTACHED PROPERTY (1,101-1,250 SF)	\$1,534 PER DWELLING UNIT
31	ATTACHED PROPERTY (951-1,100 SF)	\$1,312 PER DWELLING UNIT
32	ATTACHED PROPERTY (801- 950 SF)	\$1,202 PER DWELLING UNIT
33	ATTACHED PROPERTY (651- 800 SF)	\$979 PER DWELLING UNIT
34	ATTACHED PROPERTY (< 651 SF)	\$924 PER DWELLING UNIT
35	APARTMENT PROPERTY	\$0.52 PER SQUARE FOOT OF APARTMENT FLOOR AREA
36	NON-RESIDENTIAL PROPERTY	\$0.316 PER SQUARE FOOT OF NON-RESIDENTIAL FLOOR AREA

On each July 1, commencing on July 1, 2024, 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 2023-2024, 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 2023-2024 Backup Special Tax

Final Map	Backup Special Tax
61105-32	\$13,709 PER ACRE
61105-33	\$52,677 PER ACRE
61105-34	\$108,568 PER ACRE
61105-35	\$30,659 PER ACRE
61105-36	\$94,990 PER ACRE
61105-37	\$97,325 PER ACRE
61105-40	\$59,602 PER ACRE
ALL OTHER FINAL MAPS	\$44,147 PER ACRE

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

- Backup Special Tax for Residential Property per Dwelling Unit for Fiscal Year

2023-2024 = ((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 Apartment Property for Fiscal Year 2023-2024 shall be the amount per Acre for the applicable Final Map as shown in Table 2 above.
 - The Backup Special Tax for Non-Residential Property in a Final Map for Fiscal Year 2023-2024 shall be \$44,147 per Acre.
- ii. On each July 1, commencing July 1, 2024, 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.
- iii. Furthermore, all Assessor's Parcels within CFD No. 2021-01 (IA No. 3) 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. 3), 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. 3) 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. 3).

C.2 Final Mapped Property

The Fiscal Year 2023-2024 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, 2024, 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 2023-2024 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property shall be \$44,147 per Acre.

On each July 1, commencing July 1, 2024, 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 2023-2024 and for each following Fiscal Year, the Board shall determine the Special Tax Requirement and shall levy the Special Tax 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 42.78 Acres of Property Owner Association Property or Public Property in CFD No. 2021-01 (IA No. 3). Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in CFD No. 2021-01 (IA No. 3) 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, then the Special Tax will remain unchanged.

Interpretations may be made by the CFD Administrator 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 \$32.2 million or such lower amount (i) authorized by the Board to provide the public facilities to be funded under CFD No. 2021-01 (IA No. 3), 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 for Improvement Area No. 3 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. 3) 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):

<hr/>	
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:
<hr/>	
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. 3), 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. 3).

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. 3) 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. 3) 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 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. 3) 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. 3) 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. 3), the County, or the developer, (d) does not have any substantial interest, direct or indirect, with or in CFD No. 2021-01 (IA No. 3), the County, any owner of real property in CFD No. 2021-01 (IA No. 3), or any real property in CFD No. 2021-01 (IA No. 3), and (e) is not connected with CFD No. 2021-01 (IA No. 3) 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. 3) 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. 3), (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. 3) 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).

Special Tax Reduction

The Special Tax reduction shall be determined as follows (capitalized terms are defined above):

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. 3) 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. 3).
3. Separately, for each Land Use Class of for-sale Residential Property in CFD No. 2021-01 (IA No. 3), 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. 3) 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. 3).
 - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class in CFD No. 2021-01 (IA No. 3) 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. 3), 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. 3). 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:

$$\text{Revised BST} = \text{BST} \times (1 + [(\text{Revised AST} - \text{AST})/(\text{AST})])$$

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. 3), 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. 3) 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. 3). 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. 3) 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. 3) 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. 3) of the acknowledgement on the Certificate to Amend the Special Tax, CFD No. 2021-01 (IA No. 3) 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. 3) reflecting the Assigned Special Tax and the Backup Special Tax for CFD No. 2021-01 (IA No. 3) 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. 3) 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 2063-2064. 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
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
IMPROVEMENT AREA NO. 3
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. 3) set forth in Table 1 of the Rate and Method of Apportionment for CFD No. 2021-01 (IA No. 3).
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. 3) 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 ($\geq 4,201$ 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 ($\geq 3,101$ 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 ($\geq 2,451$ 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
61105-32	[\$_____] PER ACRE
61105-33	[\$_____] PER ACRE
61105-34	[\$_____] PER ACRE
61105-35	[\$_____] PER ACRE
61105-36	[\$_____] PER ACRE
61105-37	[\$_____] PER ACRE
61105-40	[\$_____] PER ACRE
ALL OTHER FINAL MAPS	[\$_____] PER ACRE

- The Backup Special Tax for Non-Residential Property in a Final Map for Fiscal Year shall be \$ _____ 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 above 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. 3), the County shall cause an amended Notice of Special Tax Lien for CFD No. 2021-01 (IA No. 3) 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. 3), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

Improvement Area No. 3 of Community Facilities District No. 2021-01 (Valencia-Facilities) of the County of Los Angeles

By: _____ Date as of: _____

EXHIBIT B

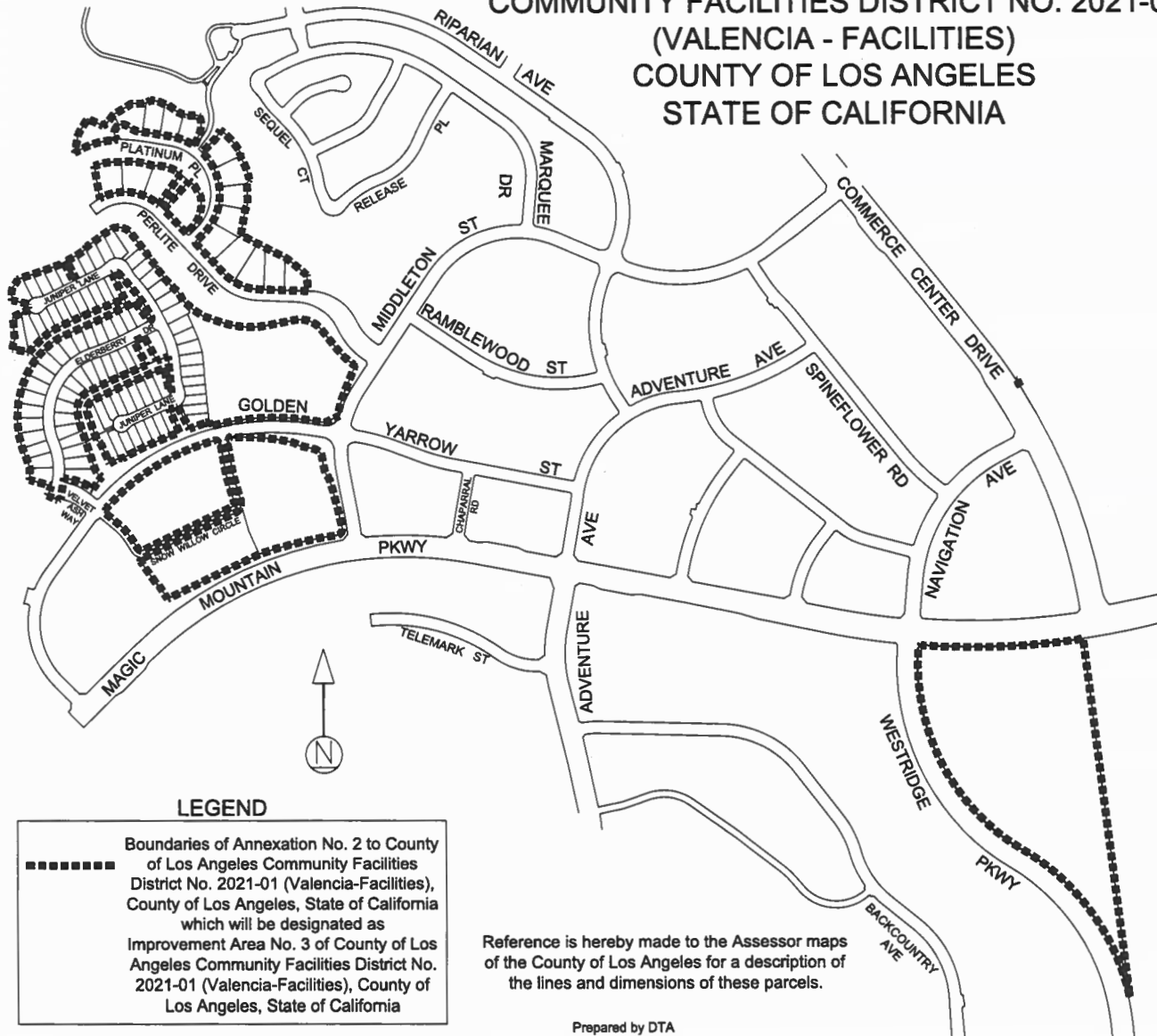
DESCRIPTION OF PROPERTY (ANNEXATION MAP)



SHEET 1 OF 3

ANNEXATION MAP NO. 2 TO
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA - FACILITIES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

By Rachelle Smitherman, Deputy



- (1) Filed in the office of the Executive Officer of the Board of Supervisors of Los Angeles County this 17th day of October, 2023.

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 Annexation Map No. 2 to County of Los Angeles Community Facilities District No. 2021-01 (Valencia - Facilities), County of Los Angeles, State of California, was approved by the Board of Supervisors at a regular meeting thereof, held on this 17th day of October, 2023, by its Resolution No. 79471.

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

Recording Requested by: County of Los Angeles

- (3) Filed this _____ day of _____, 2023, at the hour of _____ o'clock _____ m, in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ and as Instrument No. _____ 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

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

ANNEXATION MAP NO. 2 TO
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA - FACILITIES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

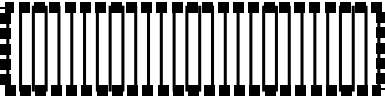
Assessor Parcels within the Boundaries of
Annexation No. 2 to County of Los Angeles Community Facilities District No. 2021-01 (Valencia - Facilities), County of Los Angeles,
to be designated as Improvement Area No. 3:

Reference is hereby made to that certain map
entitled "Proposed Boundaries of County of Los
Angeles Community Facilities District No. 2021-01
(Valencia - Facilities), County of Los Angeles,
State of California," filed the 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 pages 80-83, and as Instrument No.
2021-10197579, in the office of the County
Recorder of the County of Los Angeles, State of
California, which this Annexation Map affects.

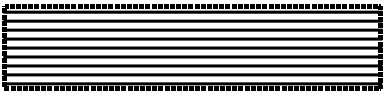
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2826-201-003	2826-202-010	2826-202-035	2826-202-060	2826-202-085
2826-201-004	2826-202-011	2826-202-036	2826-202-061	2826-202-086
2826-201-005	2826-202-012	2826-202-037	2826-202-062	2826-202-087
2826-201-006	2826-202-013	2826-202-038	2826-202-063	2826-202-088
2826-201-007	2826-202-014	2826-202-039	2826-202-064	2826-202-089
2826-201-008	2826-202-015	2826-202-040	2826-202-065	2826-202-090
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2826-201-016	2826-202-023	2826-202-048	2826-202-073	
2826-201-017	2826-202-024	2826-202-049	2826-202-074	
2826-201-018	2826-202-025	2826-202-050	2826-202-075	
2826-202-001	2826-202-026	2826-202-051	2826-202-076	
2826-202-002	2826-202-027	2826-202-052	2826-202-077	
2826-202-003	2826-202-028	2826-202-053	2826-202-078	
2826-202-004	2826-202-029	2826-202-054	2826-202-079	
2826-202-005	2826-202-030	2826-202-055	2826-202-080	
2826-202-006	2826-202-031	2826-202-056	2826-202-081	
2826-202-007	2826-202-032	2826-202-057	2826-202-082	

ANNEXATION MAP NO. 2 TO
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA - FACILITIES)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA


LEGEND



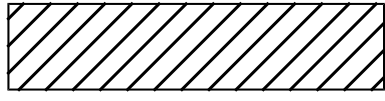
Improvement Area No. 1



Improvement Area No. 2



Improvement Area No. 3



Future Annexation Area



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.

Vicinity Map

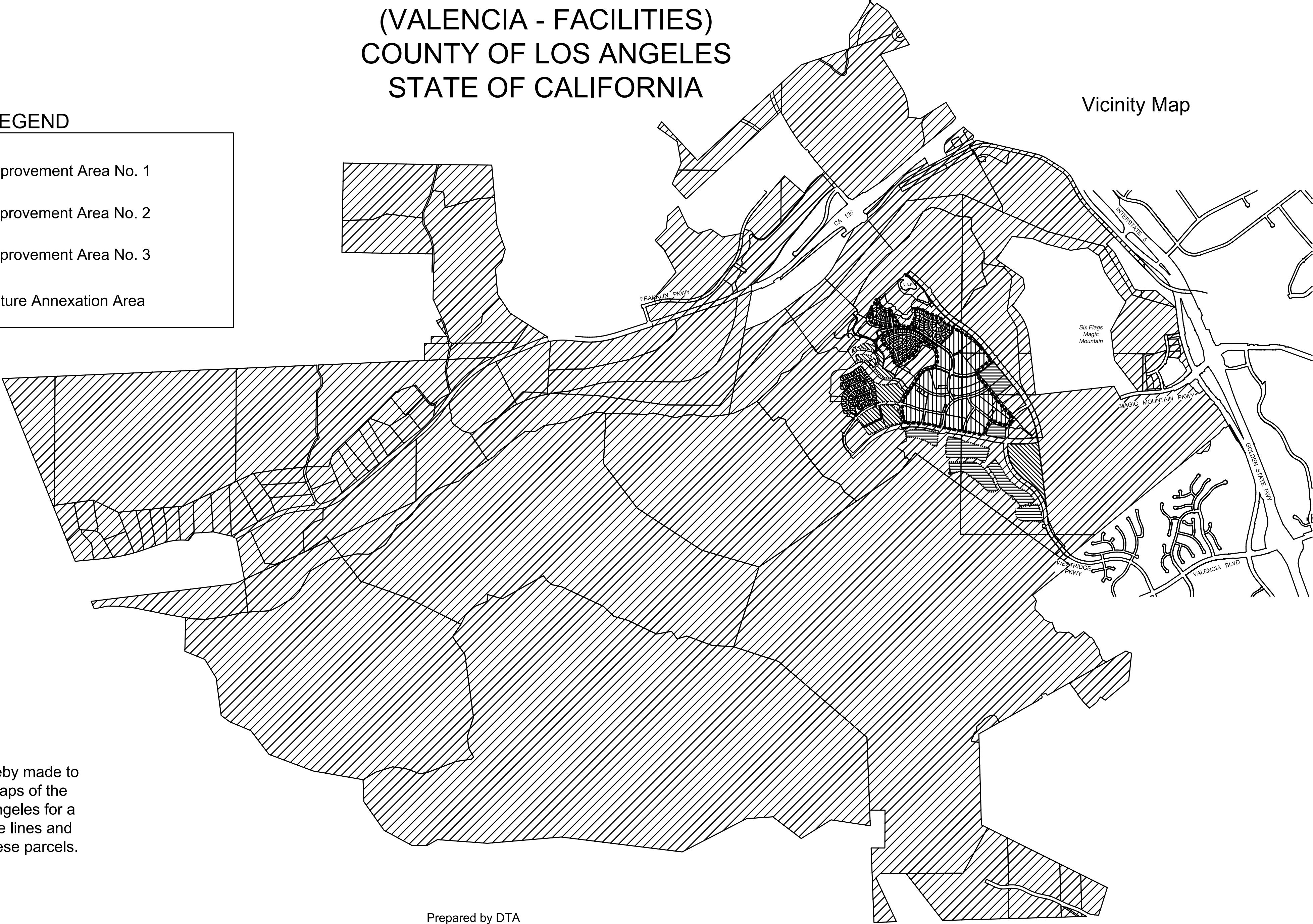


EXHIBIT C

IMPROVEMENT AREA NO. 3 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 IMPROVEMENT AREA NO. 3 OF COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)**

Pursuant to the requirements of Sections 3114.5 and 3117.5 of the Streets and Highways Code and Sections 53328.3 and 53339.8 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. 3 of the District (“Improvement Area No. 3”).

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 Clarita 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. 3 of the District, which District has been officially formed and Improvement Area No. 3 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 for Improvement Area No. 3 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. 3 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 Registrar-Recorder/County Clerk of the County of Los Angeles, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within Improvement Area No. 3 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. 3 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 (the "Original Boundary Map"), which Original Boundary Map identified, among other things, property for future annexation to the District (the "Future Annexation Area"). The property constituting Improvement Area No. 3 is part of the Future Annexation Area set forth in the Original Boundary Map. The property constituting Improvement Area No. 3 has been annexed into the District and the owners of such property specified and approved the designation of the property as "Improvement Area No. 3" pursuant to Unanimous Consents and Approvals of the owners of the property submitted to the County of Los Angeles.

Reference is made to Annexation Map No. 2 to the District that shows the boundaries of Improvement Area No. 3 of the District recorded at Book No. ____ of Maps of Assessment and Community Facilities Districts at Page Nos. ____, in the office of the Registrar-Recorder/County Clerk for the County of Los Angeles, State of California, which annexation map is now the final boundary map of Improvement Area No. 3.

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)

APPENDIX A

**RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA NO. 3 OF
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)**

APPENDIX B

APN	Owner Name
2826-201-001 through 2826-201-018, inclusive	The Newhall Land and Farming Company (A California Limited Partnership)
2826-204-001	The Newhall Land and Farming Company (A California Limited Partnership)
2826-204-003	The Newhall Land and Farming Company (A California Limited Partnership)
2826-205-001	The Newhall Land and Farming Company (A California Limited Partnership)
2826-003-060	The Newhall Land and Farming Company (A California Limited Partnership)
2826-202-001 through 2826-202-092, inclusive	Toll West Coast LLC
2826-203-001	Richmond American Homes of Maryland, Inc.

COUNTY OF LOS ANGELES

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

**THE NEWHALL LAND AND FARMING COMPANY
(A CALIFORNIA LIMITED PARTNERSHIP)**

**FIRST AMENDMENT TO
ACQUISITION, FUNDING AND DISCLOSURE AGREEMENT**

DATED AS OF OCTOBER 1, 2023

79265 Supplement No. 1

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COUNTY OF LOS ANGELES

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

**THE NEWHALL LAND AND FARMING COMPANY
(A CALIFORNIA LIMITED PARTNERSHIP)**

**FIRST AMENDMENT TO
ACQUISITION, FUNDING AND DISCLOSURE AGREEMENT**

THIS FIRST AMENDMENT TO ACQUISITION, FUNDING AND DISCLOSURE AGREEMENT (the “**First Amendment**”), dated as of October 1, 2023, is by and among the COUNTY OF LOS ANGELES, a political subdivision of the State of California (the “**County**”), the COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) (the “**District**”), and THE NEWHALL LAND AND FARMING COMPANY (A CALIFORNIA LIMITED PARTNERSHIP), a California limited partnership (the “**Company**”), and amends that certain Acquisition, Funding and Disclosure Agreement, dated as of June 1, 2022 (the “**Original Agreement**”), by and among the County, the District, and the Company. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Original Agreement.

RECITALS:

A. The parties entered into the Original Agreement to provide for coordination by and among the County, the District and the Company with regard to the use of proceeds from the proposed issuance of one or more series of Bonds of the District on behalf of one or more of the Improvement Areas.

B. The Parties desire to amend the Original Agreement by replacing Exhibit B thereto as set forth herein.

C. Section 21 of the Original Agreement provides that the Original Agreement may be amended by a writing signed by each party thereto.

FIRST AMENDMENT

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

Section 1. Recitals. Each of the above recitals is incorporated herein and is true and correct.

Section 2. Amendment to Exhibit B of Original Agreement. The Original Agreement is hereby amended by replacing Exhibit B thereto in its entirety with the document labeled Exhibit B.1 that is attached to this First Amendment, and each reference in the Original Agreement to “Exhibit B” shall mean and refer to Exhibit B.1 attached to this First Amendment.

Section 3. No Further Modifications. Except as expressly amended hereby, all terms and provisions of the Original Agreement shall remain in full force and effect.

Section 4. Incorporation into Original Agreement. This First Amendment and all the provisions contained herein are incorporated as part of the Original Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Original Agreement.

Section 5. Counterparts; Electronic Signatures. This First Amendment may be executed simultaneously or in any number of counterparts, including both counterparts that are executed manually on paper and counterparts that are in the form of electronic records and are executed electronically, whether digital or encrypted, each of which shall be deemed an original and together shall constitute one and the same instrument.

Section 6. Governing Law. This First Amendment shall be construed and governed in accordance with the laws of the State of California.

Section 7. Effective Date. This First Amendment shall become effective upon its execution and delivery.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the day and year first set forth above.



COUNTY OF LOS ANGELES

By: Janice Hahn
Chair of the Board of Supervisors of the County of Los Angeles

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

By: Janice Hahn
Chair of the Board of Supervisors of the County of Los Angeles

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: [Signature]
Senior Deputy County Counsel

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

By: La Chelle Smitheman, Deputy



I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

CELIA ZAVALA
Executive Officer
Clerk of the Board of Supervisors

By: La Chelle Smitheman
Deputy

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

34 OCT 17 2023

[Signature]
CELIA ZAVALA
EXECUTIVE OFFICER

79265 Supplement No. 1

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: _____

Name: Richard Leigh

Title: Vice President

79265 Supplement No. 1

EXHIBIT B.1**LIST OF FACILITIES BID PRIOR TO DATE OF ACQUISITION AGREEMENT**

Description		Amount¹
1	Phase 1 Magic Mountain Parkway & Commerce Center Drive Landscape Improvements	\$3m
2	Phase 1 Magic Mountain Parkway, Commerce Center Drive, and Westridge Parkway Storm Drain (excluding PD 2640 & PD 2641)	\$13.5m
3	Phase 1 Storm Drain - PD 2640 & PD 2641	\$9.9m
4	Phase 1 Magic Mountain Parkway, Commerce Center Drive & Westridge Parkway Sanitary Sewer	\$1.7m
5	Phase 1 Magic Mountain Parkway, Commerce Center Drive, and Westridge Parkway Street Improvements	\$14.1m
6	Phase 1 CFD Streetlights (excluding DS 542)	\$3.2m
7	Phase 1 Magic Mountain Parkway and Westridge Parkway Street Improvements - 06115-01A	\$5.5m
8	Phase 1 Magic Mountain Parkway, Commerce Center Drive, and Westridge Parkway Utilities	\$7.3m
9	Water Quality Basin A Water Quality Basin Grading	\$0.11m
10	Water Quality Basin B Water Quality Improvements	\$2.8m
11	Water Quality Basin C Water Quality Improvements	\$4.2m
12	Water Quality Basin D Water Quality Improvements	\$5.3m
13	MMP Box Culvert	\$3.7m
14	Magic Mountain Parkway Storm Drain PD 2675	\$0.13m
15	Westridge Parkway (South of Magic Mountain Parkway) Landscape Improvements	\$0.72m
16	Commerce Center Drive (North of Middleton) Landscape Improvements	\$0.79m
17	Phase 2B-1 Magic Mountain Parkway Storm Drain, Water Quality, and DPW Force Main Improvements	\$3m
18	Phase 2B-1 Magic Mountain Parkway Street Lighting	\$0.22m
19	Phase 2B-1 Magic Mountain Parkway Traffic Signals	\$0.37m
20	Phase 2B-1 Magic Mountain Parkway Street Improvements	\$1.2m

Total Exhibit B.1 Facilities**\$80.74m**

1	Amount includes an estimate of the reimbursable construction costs bid as of 4/06/2022, including a 3% management fee. Amount may change based on reconciliation of commitments during preparation of the Payment Requests. Amount does not include agency fees, design or field soft costs, or utility company payments. SCVWA and Sanitation District costs bid prior to the date of the Acquisition Agreement are not included in this Exhibit B.1.
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